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*President Associated Retail Credit
Men of Los Angeles*

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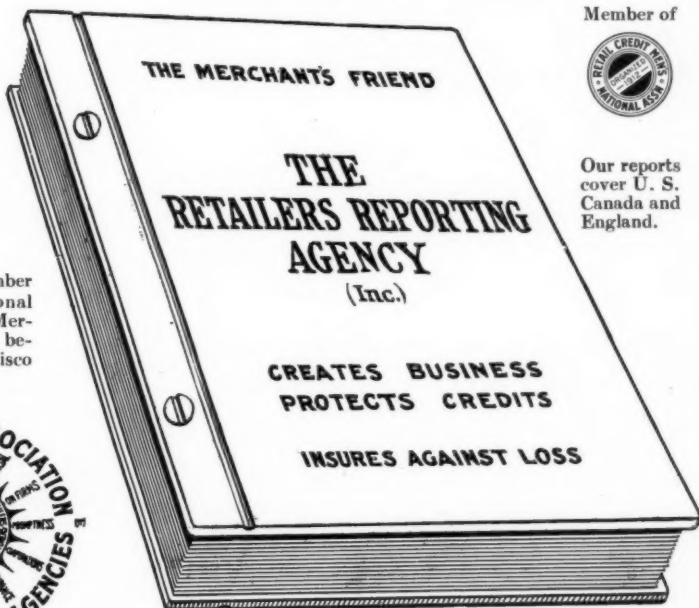
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The church is a great organized department store of activity. It undertakes to minister to the physical, mental, moral and spiritual needs of every person, young or old, in the community.

The church has numerous committees that connect it with every religious and philanthropic organization in the city.

The Bible School has an enrollment of 2250.

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The Women's Union includes all the women of the church and does its work through ten circles, representing ten different districts of the city.

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THE CREDIT WORLD

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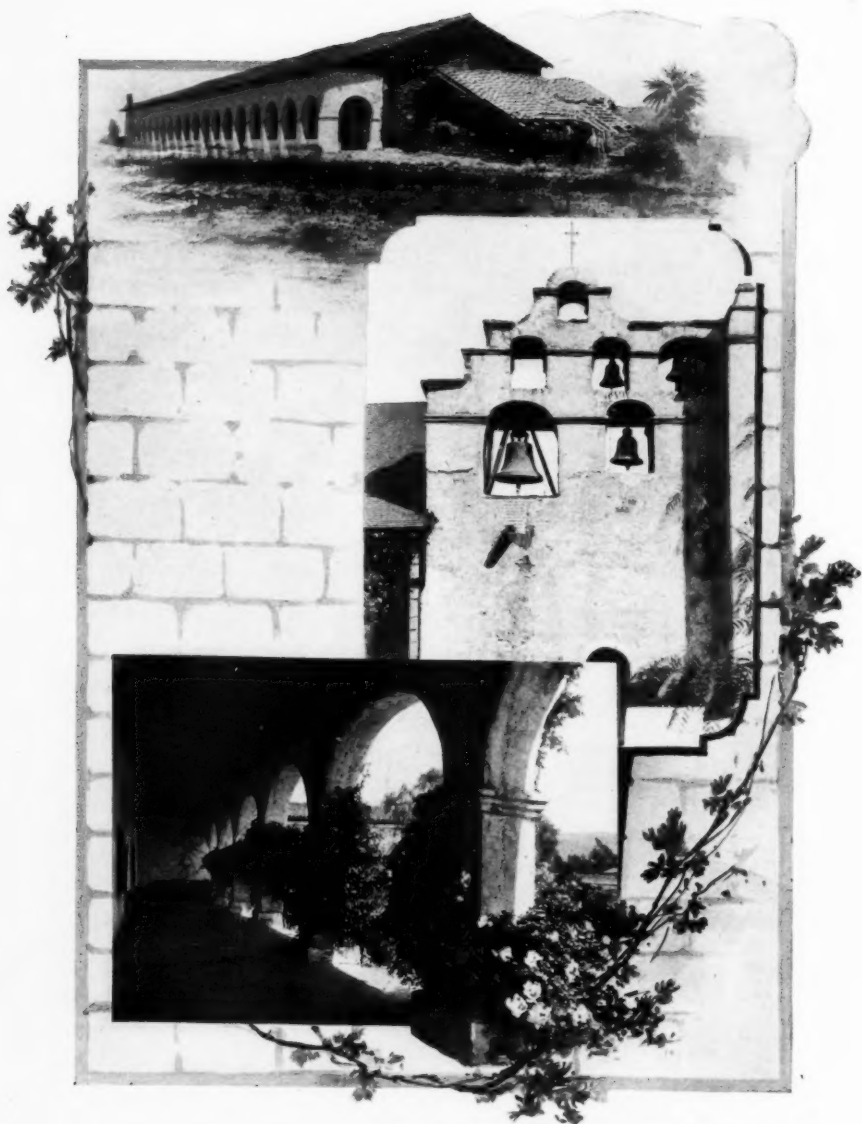
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Saint Peter's, Rome, nor the Cathedral at Cologne, nor yet Notre Dame, hath the quiet, restful grandeur of the Missions of Southern California in and around Los Angeles.

Past and Present Credit Conditions in Los Angeles

By J. A. GRAVES

Vice-President Farmers and Merchants National Bank, Los Angeles

Having lived in Los Angeles forty years, I have observed with keen interest the growth of the credit department in its various business houses.

Forty years ago, Los Angeles had a population of about seven thousand people. The southern country was but sparsely populated, in fact, in 1875, when Orange County was included in Los Angeles County, there were but 2970 voters registered in the county.

The city was made up largely of vineyards and orchards. Its business area was restricted and its business houses few. Everybody knew everybody, and each resident was acquainted to some extent with his neighbor's financial condition. Those living in the county outside of the city were, as a rule, land owners engaged in the cattle and sheep business or, in some few instances, in general farming and in other instances, in vine and orange growing.

Our manufacturing industries were almost nil. All of the supplies for Southern California were bought from wholesalers in San Francisco. A few wholesale houses in Los Angeles, principally engaged in selling food products, supplied the retail merchants in their special lines in the city and throughout the county. Occasionally an ambitious country merchant also bought his stock in San Francisco.

All goods destined for Los Angeles came by steamer from San Francisco to San Pedro, were then lightered from the ship's side to the cars, and brought into the city over the Southern Pacific Railroad Company's line. There was no rail connection to San Francisco, or to any point east of Los Angeles. The building of the Southern Pacific line from San Francisco to Los Angeles and on to the East, gave employment to thousands of men who were outfitted from Los Angeles. The trade thus engendered was extremely beneficial to the latter city.

Gradually the great Mexican grants of the county were sold off and subdivided. Agricultural pursuits grew until they were followed on an extensive scale. In time the county produced flour for its own consumption and for export to Arizona and New Mexico, as well as all points in Southern California.

When the Southern Pacific railroad was built into Arizona, a new and expansive market there was opened up for California products. This market stimulated agricultural pursuits and other industries throughout Southern California. The orange industry became an important one, and was systematically and extensively developed. Walnut culture came in vogue. In time, beans and sugar beets were added to our profitable crops.

The population of Los Angeles grew from 7,000 in 1875 to 13,000 in 1880, to 54,000 in 1890, to 101,000 in 1900 and to 319,000 in 1910. Her estimated population of 1915 is 550,000. Whether times were good or times were bad, Los Angeles continued to grow. Cities sprang up in the country where but a few years before sheep were pastured.

With added population, new industries were fostered. The mercantile business grew by leaps and bounds. Population makes business. People have to be clothed and fed and housed. They must have agricultural implements, furniture, buggies, wagons, horses, and in the last few years, automobiles, motor trucks and flying machines. Trade with Arizona, New Mexico, Southern Nevada, and the great San Joaquin Valley in our own state, grew with increased railroad facilities.

Forty years ago Los Angeles was, and still remains, the hub around which everything else in Southern California revolves. By 1900 she took on all the earmarks of a great, bustling, busy city. Forty years ago the Los Angeles merchant, with his clerk, was his own credit man. But with increased population, with towns springing up, with country merchants multiplying in numbers, with trade expanding in every direction, it soon became necessary to have means, other than his own knowledge, of detecting the solvency and the reliability of his customers.

R. G. Dun & Co. and Bradstreet's in time, opened offices in Los Angeles. From the first, their assistance was and still is valuable to our merchants. Especially are they valuable for ascertaining the antecedents of any person engaged in mercantile pursuits. These commercial agencies, with their connections throughout the nation, are enabled on short notice to give their customers accurate information as to the previous record of any man who was ever engaged in business anywhere in this country, or even in foreign countries. But Dun and Bradstreet's alone were not a sufficient protection to the merchant, who needed some one of his own household to keep his finger on the pulse of the buying public.

The credit man in a wholesale house devotes himself to the retailers who buy from his house. He must know the character of the men to whom his employer sells, the amount of capital invested by them, the manner in which they conduct their business, whether they pay their bills promptly or not, whether they are extravagant or economical in their business and personal habits; in fact, whether they are good or bad risks to do business with.

The credit man in a retail establishment has even a more complex problem before him. The number of the customers of a retail establishment, considering the relative value of business done by each, far exceeds those of the wholesale house. The customers of a retail house are not expected to be as responsible as the customers of the wholesaler. Clerks, salaried people, with little fixed or permanent assets, but of good character, deal with the retailer, and must of necessity at times demand, and are granted, credit. Here is where character counts. The retailer must make up his mind as to whether such a person is honest and will devote his earnings to paying his just obligations. Most of them are honest. The majority of the human race is honest. The dishonest ones are in the minority, and yet they make it harder for the honest ones to get along. A dishonest debtor who has stung his creditor, makes the creditor scan his next customer more closely. The denser becomes our population, the closer still will be drawn the lines.

The credit man has become a necessity to the conduct of any successful business. He in time acquires an intuition as to the desirability of an account. He learns to measure values promptly, to judge character, to detect defects in business methods and debtor's statements of assets and liabilities. In other words, he soon learns to separate the grain from the chaff and draw his deductions accordingly. Life, business, the following of the individual, of firms or corporations, is a game. We are all playing it to win. Investigation of credits and credit conditions is a part of the game.

Los Angeles has both a wholesale and retail credit men's association. Each of them has a large and enthusiastic membership, embracing the brightest minds from the various business associations of the city. They have reduced the investigation of credits to a science. And yet, in spite of all of their labors, mercantile houses still sometimes have losses. In most instances, these losses could be avoided, and cannot be laid at the door of the credit man. In mercantile circles, in this age, the volume of business counts. Every man engaged in mercantile pursuits endeavors to swell the grand total of the volume of his business. Actuated by this desire, he sometimes allows his enthusiasm to get the best of his judgment. In such cases, losses are sometimes incurred. But the efforts of the credit men of the present day have largely reduced losses incurred by mercantile houses. As their methods are still further improved, and their counsels more closely observed, losses will be still further minimized.



A Word or Two About the City of Los Angeles

By LEROY H. CIVILLE

"Los Angeles, a city of the United States, the capital of Los Angeles County, California, is situated in the lowland between the Sierra Madre and the Pacific, about seventeen miles from the coast, on the west bank of a stream of its own name.

It lies 483 miles by rail southeast of San Francisco on the Southern Pacific railroad, and is connected by branch lines with Wilmington, Santa Monica (both on the coast), and Santa Ana.

As the center of a fine orange and grape growing country and a resort for invalids, Los Angeles is a place of some importance and since the opening of the railways it has been in full prosperity, the old adobe buildings rapidly giving place to more substantial structures.

Founded in 1781 by the Spaniards, it received the name: "Town of the Queen of the Angels" ("Pueblo de la Reina de los Angeles") as a tribute to the beauty and pleasantness of the spot.

It was the capital of the Mexican State of California from 1836 to 1846, in which latter year it was captured by United States forces.

The population has increased from 5728 in 1870 to 11,311 in 1880."

Thus readeth the writing of the editors of Encyclopedia Britannica in 1880!

And yet one can read even in that description the start that was made in the wonder-making increase in population and prosperity—100 per cent. increase in ten years—you can't keep a good town down!

And today? The population is far over the half million mark and this magnificent city is now the largest on the Pacific Coast and ranks among the really large cities of the country—all done within the lifetime of many of the readers of the Credit World—a paltry 35 years.

The size? Second largest of all cities of the United States—New York comes first with an area of 286 square miles and Los Angeles a good second with 279 square miles.

Four transcontinental railway lines now make it their headquarters—the beach towns and mountain cities are all connected by a veritable web of electric lines all radiating from Los Angeles and running in some instances as far as seventy miles from the center. No other city in the country has such suburban service.

The city railway service is conceded to be the finest there is in the world, the equipment being of the best, the service first-class and the distance one can go for a nickel, marvelous; in some cases you may travel fourteen miles without changing your seat.

Los Angeles is also the original home of the "jitney," an idea that has spread over the whole country—all makes of automobiles being engaged in the traffic.

The incomparable climate of Los Angeles, despite its "unusual" departures from the regular schedule as prepared by the weather man, still draws the tourist—he of the millionaire class who has his magnificent car shipped by express from the east, to the man who "sees" Southern California in a sight-seeing auto car, or takes advantage of the many fine trolley trips and excursions that the electric roads offer.

Southern California has one of the finest systems of roads there is in the world, broad macadamized boulevards that radiate in every direction from the city, all over the "Southland."



Magnificent views of both mountain and ocean can be had in just a few minutes' ride from one's home or hotel, with plenty of "gas" and oil stations all along the way to take care of the unwary autoist who fails to look in the "tank" before starting out.

These roads serve a very practical purpose also, as many merchants take advantage of the fine service furnished by the various auto truck companies to have their goods delivered directly at their doors.

Los Angeles has some of the finest parks there are to be found anywhere; Griffith Park, north of the city, is one of the most marvelous city playgrounds that has ever been provided for a municipality.

The writer cherishes the idea that some day someone with a vision will build a succession of parks, all connected, that will stretch from Vineyard station on the Pacific Electric Venice Shortline, to the town of Venice on the seashore, with winding roads, lawns, trees and flowers and plenty of baseball grounds, tennis courts, etc., for everyone—young and old—to enjoy.

We, of Los Angeles, are now fully awake to the possibilities that are ours from an industrial point of view; while we welcome the tourist with the same glad hand and smile, we are also alive to what our climate offers in the way of industrial development.

The growth of our industrial concerns marks the beginning of a new era for Los Angeles and her people. Many of these firms have already established nation-wide reputations and supply markets thousands of miles from here.

The development of the water transportation through the building of Los Angeles Harbor increases every day. Vessels of all the large eastern and western ship companies now touch at the harbor on their way through the Panama Canal. The Japanese trans-Pacific companies are also making the port one of their regular stops.

The bank clearings of a city usually give a pretty fair indication as to the commercial standing of a city; Los Angeles stands very high in that regard and her banks are a credit to the community and to the men who manage them. The deposits are exceedingly large, thus showing the confidence the people of the city have in their financial institutions.

Los Angeles has one of the greatest water systems that a city could possess. The water comes from the mountains over two hundred miles from the city, fresh from the snows that form the springs and streams of the Sierra Nevadas. There is sufficient supply to take care of the needs of a city several times the size of Los Angeles.

The public school system of Los Angeles is the envy of all educators. The modern buildings that are rapidly being built to meet the growing needs of the schools, are the very last word in this class of construction. The educational methods employed have been designed by educators of vast experience in school matters.

The number of people who avail themselves of the privilege of the public library is very large—the statistics place Los Angeles very high when compared with other cities.

Los Angeles has her share of stately office and hotel buildings, and her stores will compare with anything there is in the way of fine merchandise and the manner in which it is displayed. The comfort and convenience of both customer and clerk have the most careful consideration, the whole reflecting credit upon the managements of these various enterprises, many of whom employ hundreds of clerks.

Los Angeles was the first of the cities to develop fully the idea of municipal lighting; today there are miles of beautiful electroliers lining both sides of not only the down-town streets, but many of the residence districts as well.

There are miles upon miles of paved streets in Los Angeles and the work has hardly begun. Next to New York, there are more automobiles owned in Los Angeles than any other city in the United States and the various owners of these cars appreciate to the fullest the keen pleasures to be derived from driving over smooth asphalt streets.

Nowhere in the land are there any homes to be compared with those here in this community; nowhere is there such a diversity in architecture; the "California" bungalow is known the world over, and many of the homes of the wealthy will compare in beauty with the choicest that can be offered anywhere else.

Nature has been very kind to the "City of the Angels," and her people are duly grateful and endeavor to show their appreciation of the privilege conferred upon them, in being permitted to dwell here among the fruits and the flowers.



Los Angeles has a larger number of Class A Office Buildings than any city in the United States, with the possible exception of New York. Note the uniformity of height, limited by wise city legislation.



Industrial Los Angeles



"Where Nature Helps Industry Most"—compiled from data of the Industrial Bureau of the Los Angeles Chamber of Commerce.

The Bureau says: "Los Angeles makes no play on sentiment, on tradition or on decoy bonuses. We submit for your investigation an analysis of the different industrial advantages Los Angeles has to offer—equable climate, efficient labor, perpetual factory operation, cheap fuel and power, abundant raw material, good transportation and extensive market.

CLIMATE

Climate is the most important of all factors which influence industrial progression; it affects labor efficiency, it regulates government and cost of living, it influences the cost of building construction, it controls manufacturing possibilities, it determines the number of possible operating days within a year, and it governs the cost of production.

The Los Angeles climate is equable—no extremes of heat or cold. The labor efficiency is of the highest, there being no extremes of temperature to affect a man's working capability.

The cost of living in all its essentials compares most favorably with that of the larger eastern cities.

The fuel bill is reduced to a minimum, with electricity, gas, water and telephones within the reach of almost everyone.

There are no congested tenement districts, the cost of the famous "California bungalow" being so low as to invite everyone to enjoy that mode of living.

COST OF BUILDING MANUFACTURE

The building construction in Los Angeles, owing to the mildness of the climate is approximately 33 1-3 per cent. less than in the middle west and east. One does not have to figure on cold-proof or heat-proof construction—the saving in this direction being enormous.

Lumber and all building labor materials are available in Los Angeles at prices that are reasonable; the cost of building labor compares favorably with other cities.

MANUFACTURING ADVANTAGES

Manufactured products which are affected by cold or heat while in process of manufacture are produced in Los Angeles twelve months in the year. Varnish is a good example of this.

Factories don't shut down on account of extreme temperatures here—no snow—rarely frosts. A factory that can operate anywhere at any time of the year, can operate here in comfort the year round.

The average of temperatures in Los Angeles for the last ten years has been:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Maximum	82	80	82	86	85	89	91	92	97	94	88	81
Minimum	37	40	44	45	47	51	54	54	52	48	43	39
Mean	55	56	57	60	61	65	70	70	71	67	61	56

CHEAP FUEL

Los Angeles has fuel oil, gas—both natural and manufactured—and hydro-electric power, all available for extensive demands, the cost being exceedingly low. The fuel oil production in 1913 was 92,870,776 barrels, the average price f. o. b. Los Angeles being 70 cents a barrel. Tests prove that oil at \$1.00 per barrel is equivalent to coal at \$4.00 per ton.

The electric energy plants have a total capacity of 211,000 k.w., and an ultimate capacity of 120,000 horsepower will be developed in addition to this from the \$23,000,000 aqueduct. The rate for electric energy for commercial purposes is 4½ cents per k. w.—rate on 3000 k.w. or over, \$.0116.

GAS

Four companies supply gas to Los Angeles, with natural gas piped from the oilfields—one pipe line at present having a capacity of 24,000,000 cubic feet, with a second pipe line projected which will increase this to 74,000,000 cubic feet per day. The rates for gas and electricity are fixed by the Los Angeles Board of Public Utilities and will compare favorably with any other district of the country.

RAW MATERIALS

Lumber: Los Angeles is the largest lumber receiving port in the world. Statistics for 1912 show a total of 720,883,620 feet of lumber landed on our wharves, the bulk of this being Oregon pine from which cheap lumber is made. There was also a large amount of cedar and redwood, with many other durable and beautiful soft woods which are peculiar to the west and northwest forests. Considerable quantities of fine hard woods—mahogany, white oak, rosewood, etc., are received from the East Indies, South and Central America, the Philippines and Japan.

Minerals and Metals: Sixty per cent. of the copper mined in the United States is produced within six hundred miles of Los Angeles, which is the logical location for the establishment of a refinery. The country tributary to Los Angeles produces immense amounts of silver, gold, tungsten and copper; also red jasper, ochres, umbers, siennas, whiting, oxides, kaolin and talc, all used in applied arts, manufacturing of paint, paper, soap, glucose, etc. Extensive quantities of chalk and diatomaceous earth are also produced. There are great deposits of silica, borax, soapstone and dolomite, also.

Adjacent to Los Angeles, the Pacific Ocean is rich in enormous kelp beds which furnish almost unlimited material for the manufacture of nitre powders, fertilizers, etc.

Fish oil and fish canning industries are rapidly growing in size, there being large amounts of sardines, tuna and other fish packed here. Southern California, of which Los Angeles is the center, is the edible bean raising center of the world. Four million bushels were raised and shipped in 1913.

Two hundred thirty million pounds of sugar were manufactured from sugar beets in 1913.

There is one other industry which is now recognized by the United States Government as being one of the greatest in the country—motion pictures. Seventy-one per cent. of all films shown in the United States are now manufactured in or near Los Angeles. "Inceville" and Universal City are veritable cosmopolitan centers all in themselves. The almost perpetual sunshine and temperate weather, and the total absence of static electricity, combined with the wonderful Southern California scenic settings, furnish the reason why the "movies" favor this country. Thirty million dollars would not be over-estimating the value of the negative films of the largest industry of this city.

In 1913 the reports furnished the Industrial Bureau showed an output of approximately \$20,000,000 in the slaughtering and meat-packing industry.

The population of Los Angeles in 1910 was 319,198, the industrial output being \$68,586,000. The population today is 555,000; industrial output of 1913 (these being the last figures available), was \$157,000,000.

This is but a brief resume of the statistics furnished by the Industrial Bureau of Los Angeles Chamber of Commerce. It would be well worth one's time to address the Bureau for further detailed information, for all signs point to one thing: Los Angeles is coming into her own industrially.

"—the Store with a Conscience"

Geo. R. Bowman

—at

J. B. Silverwood
Los Angeles
Long Beach Bakersfield
San Bernardino Maricopa

—the home of Hart, Schaffner & Marx \$18 to \$40 clothes



Broadway, looking north from Seventh. The shopping district that opens the eyes of all Easterners.



The Haiwee Reservoir, one of the four storage reservoirs, seven and one-half miles long with an average depth of forty-five feet, holding its part of a supply of water for a city of one million people for a whole year without drawing upon other resources.

Editorial Department

Los Angeles

Los Angeles; situated in the land of progress, prosperity and sunshine; the largest city west of St. Louis; population 600,000; the haven of the world's pleasure-seekers. Every one says it is like the transformation of heaven into an earthly city. Beautiful beyond description. The East—the North—the South, know not the glories of this wonderful city resting peacefully at the great mountain foothills, beckoning all to come—to visit—to stay, to enjoy the supreme hospitality of the Golden West. Why should one, when privileged with such surroundings, be discontented. And even though Saint Peter should extend the honor of entering the golden gate, the surroundings would not be new to anyone familiar with Los Angeles' beauty, grandeur, sublimity, and eternal peacefulness as a place to live. Dear readers, only the other night I was overtaken with a dream. I dreamed I was in heaven (imagine an editor in heaven) and was being escorted through the beautiful gardens, and during the progress of our tour of inspection we came upon a man chained with heavy balls upon his ankles. Being of an inquisitive nature, I probably overstepped the bounds of propriety and asked Saint Peter why this man was chained. He replied that while in life and on earth this individual was a credit man—a member of the Associated Retail Credit Men of Los Angeles*—and they had to chain him to keep him from going back. True, worthy of the city. Everlasting gratitude to his old home.

This, our June number, devoted to the city of Los Angeles, has eclipsed all previous issues of the Credit World. I wonder why? It is easy to surmise. When the cup of enthusiasm is kept full to overflowing—when our members are receiving daily shots of ginger—when the backbone of each member is substantially built to withstand the necessary strain—of pushing ahead regardless of imaginary obstacles—we will succeed. We have succeeded in showing the Credit World what can be done with determination—the heart to do—the will power to back it up, and a constitution to withstand reverses. This is the synopsis of the Associated Retail Credit Men of Los Angeles, and its members. Minneapolis, St. Paul and St. Louis have accomplished great work and I trust the above-mentioned associations will continue on



A Palm Drive

in great progress, that our national association may be the predominating power in the retail interests of the country. Our field is vast; our opportunity wonderful, and all we need is the means of development. It is waiting for us like the wily trout basking in the sunshine of the brook waiting to be hooked.

Let every member of our National Association start out; take his hook, line and bait and catch the wily retail merchant who is apparently oblivious to the great advantages to be derived by becoming one of us. I would like to be enlightened on one subject. Where is the hitch; the misplaced cog; the unknown that to a degree is deterring our progress? While in the past year we have made substantial gains your secretary is not satisfied. There is a missing link somewhere. Thousands of letters have been mailed to prospects. It must be the general depression prevailing, caused by an overflow of pessimists, who should be relegated to the discard. Be an optimist—it don't cost anything to boost and a great good may be done by boosting, smiling, glad-handing whenever and wherever you get the chance. The pessimist only adds to gloom. The optimist is sunshine through the clouds.

Our real need in the National Association is a field worker. I don't mean a high grass cutter, but a man with an abundance of brains, gray matter, to act as a National Organizer; possessing the powers of a hypnotist, with such a mastery of the English language that the minute a match is touched to his torpedo of oratory the results will be magnetic. In behalf of the Retail Credit Men's National Association, its officers and its many members, I wish to thank the Associated Retail Credit Men of Los Angeles, especially the different committees who have so unhesitatingly and willingly come to the front for so grand a cause. You, yes, dear friends, each one of you have taken part in the enactment of a problem that in time to come will touch your very heartstrings with pride. In fact, you were instrumental in assisting a work, that as years pass by will be as great and as important to our thousands of retail merchants as was the signing of the Declaration of Independence to the freedom of our country. Your secretary's home town possessing the Association which gave him the chance and in appreciation of which, he will forever hold in high esteem the memory of these days.

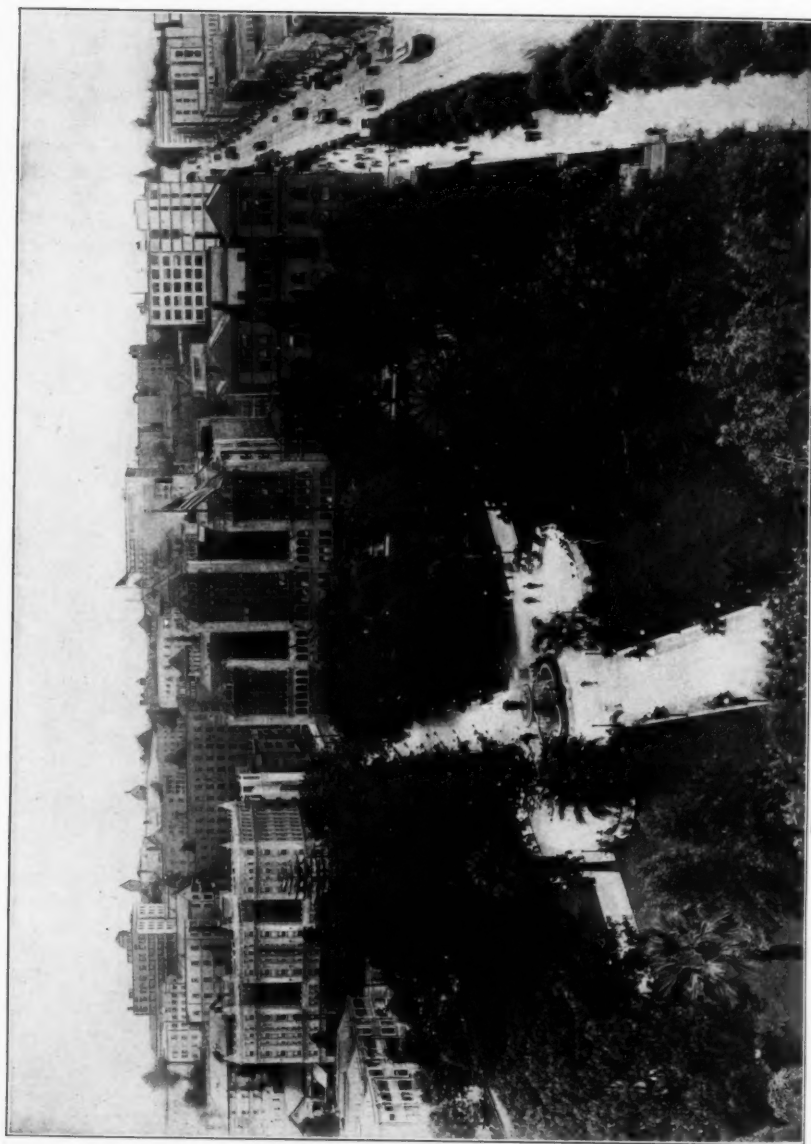
Faternally,

H. B. RICHMOND, Secretary.

Success or Failure

Everyone is clamoring for success. If you miss your footing on the upward climb of the ladder of fame despair not. Failures in this life outdistance success more than ninety per cent. If you are a failure, why so? There is a reason. Your own set of brains is the motor that must guide your destiny. Do not look to others for help. They may offer you temporary assistance, that is all. Their assistance is like administering oxygen to a dying man. Momentary relief, prolongation of suffering, but the end the same. Despair is the greatest evil in man's characteristics. It is the leper in the business world. Train yourself to be armor proof against this fault and you will have gained a point in the success of a man's life which will ward off failure more than the rectifying of any other portion of your make-up. Failure may overcome you in many ways, according to the individual. If your motor power is strong you cannot be carried off by the tidal wave of failure, but your mentality must be equipped to withstand the stroke in order to waive it aside. The character showing determination, will power, health, happiness and a clear conscience will carry any man to the very pinnacle of fame, if you ward off despair.

To success, you are what you are. You will always be what you make yourself. Do your own thinking. Confide in yourself, with yourself; remember that the best way to keep a secret is not to give it to someone to keep for you. Train your mentality to throw off despair and you will find you are not a failure, but a SUCCESS.—RICHMOND.



CENTRAL PARK, LOS ANGELES
A Beauty Spot in the Heart of the Business Section

Last Opportunity

This will positively be your last opportunity to answer your secretary's appeal, under the present regime, to immediately get together, irrespective of the short time in which it can be accomplished and make the JULY NUMBER one to be long remembered by every retail credit man whose good fortune it may be to secure a copy.

First, second and third, get that advertisement. See what the Los Angeles association has done in this issue. Does it not make you ashamed of yourself to cast your shining lamps over this number?

The Los Angeles association made a promise and they fulfilled it even better than they promised, as is done with all the credit men who are members of this association.

Everybody join in the July issue, and make it one worth the while.

Credit men, large and small;
Answer this final call.
Take off your collar, coat and vest;
Dig in and do your level best.

As I now realize this to be my last chance to assist the association in a financial way by requesting as strongly as words will permit, I sincerely trust that each member will so view the necessity of immediate action and show the whole world that the credit man is the most alert, live and up to the minute piece of humanity known to man.

The world looks down upon failure, while it applauds success. Let your complete membership applaud, and applaud the efforts of your fellow member, but give to each other this opportunity.

It is my desire to have each member step up to the firing line, take accurate aim on your prospect and fire away. Your load of enthusiasm for the Credit World will result in getting something that will be worth the while.

Really, gentlemen, I think during the past year this game of trying to enthuse the enthusiastic with enthusiasm, has caused me to contract a disease which may be termed Gingeroletes. This is a terrible disease, contagious in exceptional instances, but always susceptible to strong hypod doses.

Please honor my request. Meet me half way. Perform the miracle by this minute taking hold of the situation that will make the Retail Credit Men's National Association meet the happiness of the dreams of all our members.

Commence this minute. Continue to the last minute to assist your secretary in this great cause.—RICHMOND.

Life—The Version of a Man Who Is Still Trying

It is as we make it. It will be forever as your efforts guide you. Little can be accomplished without the heart to do. Do first what your mind tells you is right. Let not the whisper of a few mislead. There is a right. There is a wrong. Determine which and do not to be swayed from the path that leads to success. This path, as history teaches, is not paved with roses; but those who are now privileged to drink life's happiness from the cup of success, say that to occupy this chamber you must pass through rivers of despair and over mountains of criticism, but eventually you will be rewarded by what so many seek and yet so few obtain—success. There never was a living soul that gained the pinnacle of fortune and fame without apparently insurmountable obstacles blocking their progress. The essential points that make up this, so much to be admired, piece of successful human machinery, are will power—a strong mind—the nerve to do—a time to strike, and with it all—honesty—a clear conscience and a healthy constitution capable of withstanding a temporary setback. The world today awaits with open arms to receive life's successful children of nature. The world holds open arms for men that will help men. The world holds nothing against those that try and fail, but the world does despise a quitter, with life's childhood, youth and manhood spent unworthy of its birth's intention. Try to do! YOU!—RICHMOND.

Extravagance—The Slave to Debt and Why

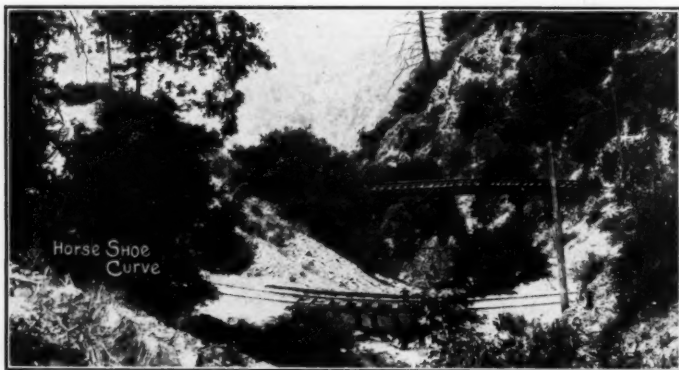
The greatest millstone to human existence is debt. It detracts mental energy from otherwise mental efficiency. It leads to a feeling of carelessness—veiled by the superstition that the world is but a myth built to house the few successful. Debt, to an employee, means lack of presence of mind, lack of ambition, lack of that clear conscience that invades the care-free fellow with a bank account.

The writer wishes to call attention to the article appearing in this issue entitled "Thrift," by the late Rev. Bob Burdette of Los Angeles. Any young man that will follow the teachings of this article will need assistance from no man, will not need to extend the bow of obligation to some loan shark, nor will he have to lower or humiliate himself to his superior or in many instances his inferior. The day of the so-called good fellow is a thing of the past.

Only a weak-minded fool will squander his money when his rent is due. How many do, dear readers; it is a weak spot in the American race to be a slave to debt. Did you ever see (now call to mind) a Jewish laborer? No, you never did in America. Yet they arrive here by the thousands, going up against our propositions with scarcely the power of speech. Yet they have the spirit of thrift instilled into them from birth.

There are many so-called reasons for debt, if you listen to the constant hard-luck artist. But the whole world knows that unless unforeseen disaster hits hard there is absolutely no reason for debt. Discouragement is the chief element in this vermin of debt. Discouragement is mostly apparent in the weak-minded. A strong-minded man can hardly be discouraged and lose heart and drift into the channel of debt's mire.

The Bankruptcy Law is a splendid thing, if used rightly. For instance, a man is firmly in the grasp of debt, and knows he can never pull out. He may have learned the lesson of how he got there. Yet he cannot retrieve. The Bankruptcy Law offers a partial solution of this predicament. He takes advantage of this law—and it is without question the best for him and all concerned that he does—it puts a stop to his further buying without a chance to repay, and in many cases a bankrupt merchant has learned his bitter lesson and has come back to life determined to profit by his past mistakes, and HAS made good.—RICHMOND.



President Woodlock to You

The May issue of the Credit World was the best yet; we are improving. Our membership also shows a satisfactory increase, but not in proportion to the amount of work your officers are doing, so I am calling on you for one great effort before the convention. Surely each one of you has a personal friend in the credit business who is not a member; get him in now; don't leave all the work to a few loyal supporters. Help in this work yourself and, if you live in a city where there is no local association, call a meeting, take the initiative, be a leader and organize. If St. Paul, Minneapolis, Los Angeles, Duluth, Cleveland and St. Louis have found it profitable to support local associations, why not you? It is the old story of united action to get results.

This is our construction period. We must work to build up our association to that membership of 10,000; then we can rest and take pride in the fact that we helped to bring about an organization of 10,000 retailers, united to standardize the extension of credit, assist in collections, eliminate the undesirable and simplify credit department work. The greatest retailers' association in the world, where each member is a teacher of the general public, educating it in the necessity of prompt pay, cannot fail to improve credit conditions and have a great moral effect on the credit seeker.

The accounts which keep my outstandings up into six figures are not the doubtful ones, they are people who can well afford to settle each month, but because they are considered financially responsible they have been "spoiled" by us credit men, who do not ask the money due us for fear of offending or losing a customer. These same people would not think of borrowing money from a bank and not meeting the loan on the day due.

We must teach these customers that asking credit is simply asking a loan; that we extend credit as a matter of accommodation and we expect accounts paid by the 10th of the month following purchase.

This cannot be done in a day or a year, but as we continue to grow and get more concerted action among credit men, we can accomplish many things now seemingly impossible.

Now for that great effort before the convention. We cannot stand still. We must grow. Let those work now who never worked before and those who always worked, now work the more.

Reasons Why You Should Attend the Convention

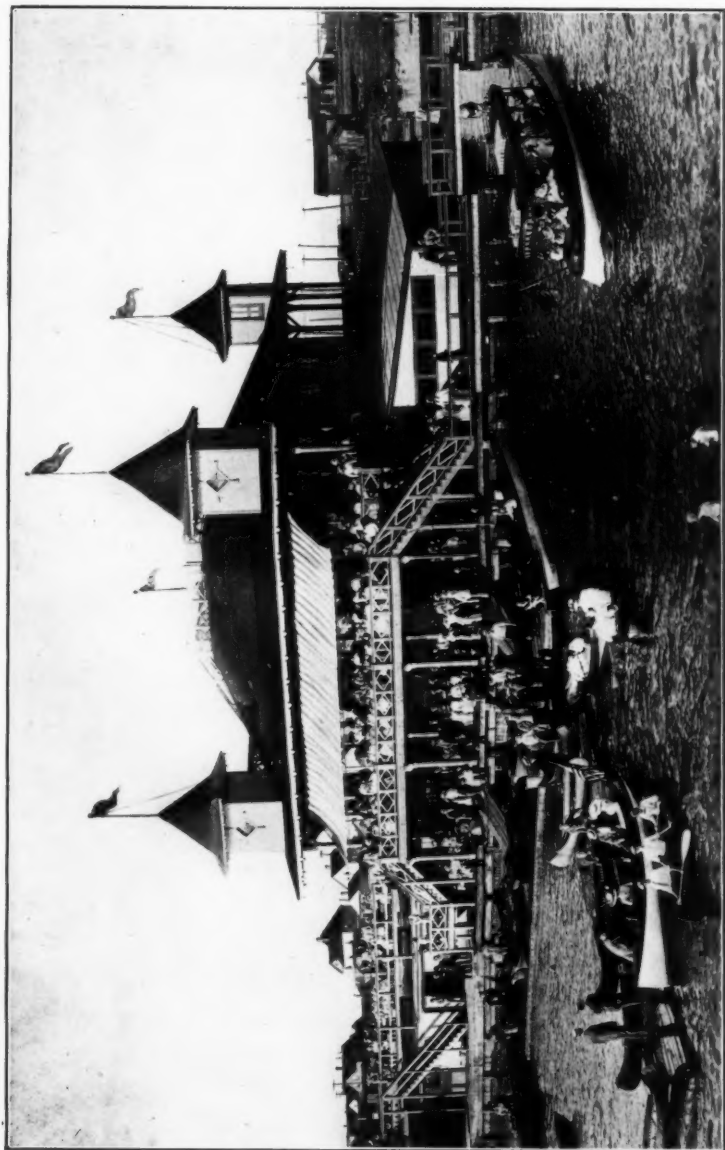
We extend to the owners of every retail store in the country an invitation to attend the third annual convention of the Retail Credit Men's National Association, at Duluth, August 18, 19, 20, 1915. You are welcome to every session; we have no secrets, our only aim being to save you money by co-operation on the extension of credit and the elimination of the dead beat.

If you cannot attend be sure to send your credit man. It will pay you a hundred-fold.

An Invitation

1. A delightful vacation trip.
 2. Meet retail credit men from all sections of the country.
 3. Bring home valuable information regarding systems that you can apply to your own business.
 4. Learn how the other fellow handles his work.
 5. Help in the building of a nation-wide organization of professional retail credit men.
- It will be worth the time and expense to you personally, and worth double to your firm, because it will make a more valuable man of you.

We all learn something from association with our fellow man.



The Duluth Boat Club was organized in 1898, and today with a membership of 950 claims to have the largest membership in a water club in the country. The Club has assets of about \$125,000, consisting of a main boat club at the intersection of Park Point and Duluth, and a branch at Oatka Beach, and a second branch on the St. Louis River near Spirit Lake. With these three locations, this Club affords all the accommodations of a fully equipped water club.

Convention of the Retail Credit Men's National Association,
Duluth, August 18, 19 and 20, 1915

Wednesday, August 18

Opening. 9:30 A. M.

Call to order.

Address of Welcome by Abner Creat Pearsons, President of Duluth Retail Credit Club.

Response by D. J. Woodlock, President Retail Credit Men's National Association.

Indorsing of Members' Credentials.

Reports of Officers:

Report of President, David J. Woodlock.

Report of Secretary, H. B. Richmond.

Report of Treasurer, R. A. Poindexter.

Report of Chairman of Board of Directors, S. L. Gilfillan.

Report of Chairman of Board of Council, C. P. Barnum.

Report of Committee on By-Laws, S. L. Gilfillan.

Report of Committee on Credit Exchange, F. H. Koch.

Report of Committee on Local Associations, E. F. Hagemann.

Report of Committee on Audit, C. F. Jackson.

Report of Committee on Resolutions, F. T. Leonard.

Thursday, August 19

Convene, 9:30 A. M.

Unfinished Business.

Collections. Ten-minute Talks by Delegates Regarding Best Systems of Collecting Accounts.

Twenty Years of Retail Credit, by Sig Wolfert of Spix, Baer & Fuller Dry Goods Company, St. Louis.

Experience Meeting. Ten-minute Talks by Delegates.

Credit From a Banker's View. H. B. Humason, American National Bank, St. Paul, Minn.

Friday, August 20

Convene. 9:30 A. M.

Unfinished Business.

New Business.

Election of Officers.

Selection of Place of Meeting in 1916.

Adjournment.

A unique and novel item on the convention program will take place on the second day, when the delegates will hold an "Experience Meeting," everyone present being expected to give a five-minute talk on what he regards as the most interesting experience he has had in his credit work. The president believes we can all profit by the experiences of others and this should be one of our most interesting sessions.

On the second day of our convention we will have two hours devoted to collections. Not a paper by one member, but a general discussion of the best and most successful methods by all the delegates. This will bring out points one man would never think of. It will create a debate among the members, and as a result you will get the ideas of all present. This feature alone is worth the trip to Duluth.

Official Notice

The Third Annual Convention of the Retail Credit Men's National Association will be held at Duluth, Minn., August 18, 19 and 20, 1915. For the purpose of having this association progress along those channels whereby the greatest good will be accomplished for the greatest number, I do hereby appoint the committees as shown below, for the purpose of reporting to the convention their various findings. Any member of this association is privileged to send suggestions to the chairman of any of the committees, and it is my wish that this privilege be taken advantage of by every member who has the interest of the association at heart. Should any member believe it to the good of the organization to have some other committee than those listed below, you will confer a favor upon me, as well as the association, by notifying me immediately.

D. J. WOODLOCK, President.

P. O. Box 713, St. Louis, Mo.

Committee on By-Laws

S. L. Gilfillan, L. S. Donaldson Co., Minneapolis, Minnesota
 Sig Wolfort, Stix, Baer & Fuller, St. Louis, Missouri
 F. T. Leonhard, Daniels & Fishers Stores Co., Denver, Colorado
 W. O. Overbeck, Block & Kuhl Co., Peoria, Illinois
 G. A. Lawo, Gerbers, Memphis, Tennessee
 H. B. Humason, American National Bank, St. Paul, Minnesota
 Chas. J. Nolan, Duluth Glass Block Store, Duluth, Minnesota
 J. A. Porter, Duffy-Powers Co., Rochester, New York.

Mr. S. L. Gilfillan, credit manager, L. S. Donaldson Co., Minneapolis, Minn., is chairman, and all members are asked to send suggestions to him.

As we have outgrown our infant clothes this committee is appointed to frame and submit to the convention a new set of by-laws. Any member of the association who may be able to suggest something for the good of the association, for incorporation in these by-laws, is asked to forward their suggestion to the chairman.

Magazine Committee

A. J. Pickarts, Harris & Frank, Los Angeles, California
 J. I. Reinhard, Johnson & Hill, Grand Rapids, Wisconsin
 Noble R. Jones, St. Louis Commercial Agency, St. Louis, Missouri
 R. N. Adams, Stewart Dry Goods Co., Louisville, Kentucky
 A. M. Howes, Erie, Pennsylvania
 Adolph Grasso, San Antonio Retail Mer. Assn., San Antonio, Texas
 Ben F. Gray, H. G. Bittleston Law & Collection Agency, Los Angeles, California

Mr. A. J. Pickarts, credit manager of Harris & Frank, Los Angeles, is chairman, and all members are asked to send suggestions to him.

This committee will make suggestions regarding the official organ, such as plans for improving its usefulness, methods of obtaining items of interest from members and local associations and particularly record of skips and bad check passers.

Credit Exchange Committee

F. H. Koch, Schuneman & Evans, St. Paul, Minnesota
 G. R. Barlow, Younker Bros., Des Moines, Iowa
 D. F. Hallihan, Greenough's, Spokane, Washington
 John A. Devine, Fourquaren & Temple Co., Richmond, Virginia
 L. G. Thorpe, Mills Dry Goods Co., Topeka, Kansas
 Lawrence Greenbaum, Mandell Bros., Chicago, Illinois

Mr. F. H. Koch, credit manager Schuneman & Evans, St. Paul, Minn., is chairman, and all members are asked to send suggestions to him.

This committee will prepare and present to the convention a plan to perfect our exchange of information among members, either locally or in other cities.

Local Associations Committee

E. F. Hagemann, St. Louis Dairy Co., St. Louis, Missouri
Geo. C. Fairley, Duluth Credit Club, Duluth, Minnesota
Ben C. Nance, Huddleston Cooper & Co., Nashville, Tennessee
W. A. Shurr, Woolf Bros., Kansas City, Missouri
Jno. W. McConnell, Carson, Pierre, Scott Co., Chicago, Illinois
J. Edw. Newberry, Louis Weber & Co., Chicago, Illinois

Mr. E. F. Hagemann, St. Louis Dairy Co., St. Louis, Mo., is chairman, and all members are requested to send suggestions to him.

This committee will submit a plan to the convention for organizing our members into local associations where we have five or more members in one city.

Resolutions Committee

F. T. Leonhard, Daniels & Fishers Stores Co., Denver, Colorado
Max Fisher, Woodward & Lathrop, Washington, District of Columbia
Wm. Flannigan, G. Fox & Co., Hartford, Connecticut
Stephen Rau, I. Magnin & Co., San Francisco, California
Sam Michael, Gurger Dry Goods Co., Birmingham, Alabama
Albert G. Enman, Meyer & Jonassen Co., Boston, Massachusetts
Chas. J. Nolan, Duluth Glass Block Store, Duluth, Minnesota

Mr. F. T. Leonhard, Daniels & Fishers Stores Co., Denver, Colo., is chairman, and all members are asked to send suggestions to him.

The committee will prepare and present resolutions to the convention indorsing or condemning laws, either state or national, which have effect upon the retail merchants, and particularly the bankruptcy law, affecting individual credit or the rights of the credit grantor.

Audit Committee

Clarence F. Jackson, Famous & Barr Co., St. Louis, Missouri
A. F. Gerlich, Mannheimer Bros., St. Paul, Minnesota
Chas. R. Lane, Retail Credit Association, Minneapolis, Minnesota
A. G. Strong, Kelly Hardware Co., Duluth, Minnesota
A. C. Pearson, French & Bassett Co., Duluth, Minnesota

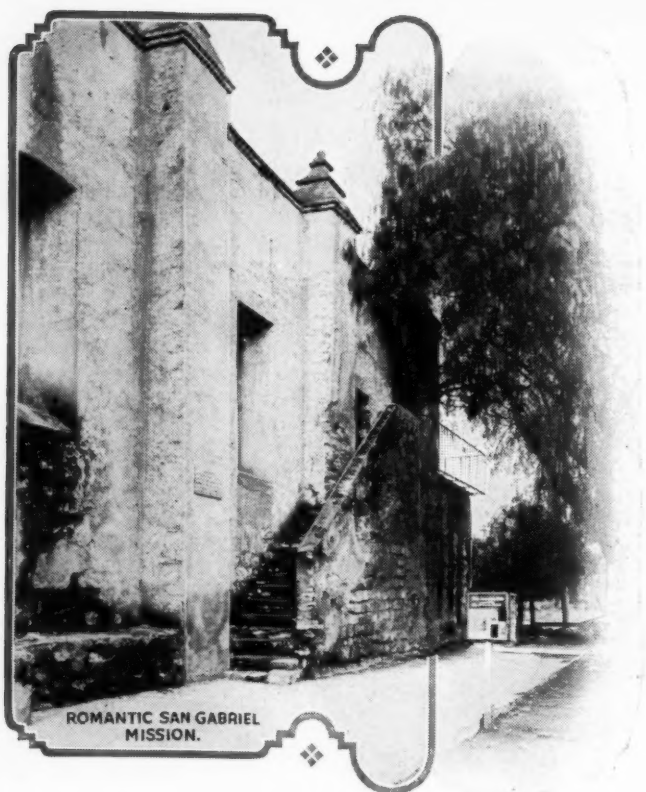
Mr. Clarence F. Jackson, Famous & Barr Co., St. Louis, Mo., is chairman, and all members are asked to send suggestions to him.

This committee will audit the books of the secretary and treasurer, the vouchers of the president, and report to the convention their findings.

At the St. Louis convention, Miss Estelle Fleming, credit manager of Lyman Lay & Co., Kewanee, Ill., was the only lady delegate. We feel sure, however, she will not feel lonesome this year, as we now have a number of lady members and we are assured that most of the members going to the convention will bring their wives or sisters with them.

The young ladies of Duluth are warned to beware of the St. Louis delegates who have taken a solemn pledge to find a wife for their most popular bachelor member, Mr. Sig Wolfert of the Stix, Baer & Fuller Dry Goods Company. Sig is so bashful his fellow members have united to help him.





Credit Department Correspondence

By J. M. RUST

District Credit Manager, Union Oil Company of California



Three-fourths of the delinquent collection business of today, both wholesale and retail, is handled by means of the collection letter. The man who can write a letter that does what another man must make a personal call to do, has by far the greater efficiency.

Letters relative to credits and collections touch the customer at his most sensitive spot, and their probable effect should be most carefully considered. It is not the simplest task to write a really good letter, and particularly difficult is it, to write a good collection letter. The trouble is the average man doesn't know what a letter really can do when skillfully worded and if given the chance. He utterly ignores the great business opportunity it offers, merely using it haphazardly and at random, and only on occasions when no other means suggests itself.

A poor collection record indicates that there is a "screw loose" somewhere—and much of the trouble can be attributed to lack of method and care in the extension of credit.

Here is the first point of contact of the Credit Department with correspondence. Personality furnishes the key to every business proposition, and this rule applies in the assembling of comprehensive credit information, equally as well as in any other branch of correspondence. Herein lies the weakness of the stereotyped, reciprocal credit interchange form letters, to which little or only superficial attention is paid, and they are rarely filled out properly, even by the houses who send them out.

What creditman, who has written the usual perfunctory credit inquiry letter to a bank—given as reference, but has received an answer written across the letter by some minor clerk "he is O. K." which is an opinion only and furnishes no knowledge of facts whatever concerning the party inquired about upon which to base your own conclusions as to the desirability of the credit risk.

Every bank in the conduct of its own business, realizes the need of and requires complete information before making its loans. Most bankers have the welfare of their community or city at heart and desire to maintain the credit standing and reputation of their constituents and will usually give comprehensive information in reply to letters of inquiry which are skillfully and properly worded. The same holds good with letters to other classes of references.

The correspondence of the Credit Department outside of gathering credit information, largely concerns itself with collection letters. These necessarily vary in style and form to meet the needs of the different lines of business and the particular policy of the house—hence in a short article of this kind, there is not space to consider any particular forms of construction. The following suggestions, however, are given with the hope that they may prove helpful.

CONSTRUCTION OF LETTER

(1) The purity of a style depends upon the choice of words; the precision of a writer depends upon the choice of his terms; the force of a writer depends upon the aptitude of his expressions.

One of the greatest essentials of a letter is that it be clear and specific—sometimes even at the expense of brevity when an explanation is necessary, or it is desired to influence a certain course of action.

The easier a letter is to read, the more likely it is to produce results. Outside of the proper psychological construction of the letter, other things are necessary to make it easy to read—like proper punctuation—paragraphs at points of natural cleavage; short sentences constructed of such well chosen words as are necessary to convey the shade of meaning and force of expression required.

To dictate as good a letter one day as another, year in and year out, is not easy. Many creditmen have prepared a system of paragraphs which give at a moment's notice, the best thoughts and expressions they have been able to collect in regard to points that repeatedly come up in their particular work.

KNOWLEDGE OF CUSTOMER

(2) The first requisite to the composition of an *effective* collection letter is a studious knowledge of the customer—his character, his occupation, his affiliations, his social position, his weaknesses. If you find your sources of information limited, *make the collection letter clear the way*. Avoid the common mistake of showing irritation in your first letter to the debtor. Begin in a friendly, genial manner, and *make the delinquent classify himself by his answer*.

OUTLINE YOUR POLICY

(3) After above features have been thoroughly canvassed, study the best method of approach or attack. Let your several letters build up and maintain a consistent attitude toward the debt, make your whole series grade up evenly toward a definite collection policy. Threats to resort to severe measures should not be indulged in until absolutely necessary.

GETTING RIGHT TONE TO LETTERS

(4) Getting the right tone into collection letters is of great importance.

It is a mistake to look upon a just debt in any other light than an imperative business obligation, which the debtor is bound to pay, and should pay in accordance with the terms of sale; nor on any other grounds than that it is justly due in exchange for value given.

All letters should be framed in courteous, but firm and earnest language, which breathes the spirit of fairness and desire to treat the matter from a purely business standpoint.

There should be no apology—the debtor is quick to discover and take advantage of it. There is no inharmony between tact and firmness.

Never let the debtor know you have given up hope. Make him think, as long as possible, that you think he is as anxious to pay as you are to have him pay. It is surprising what results will follow making a fellow think you believe him honest, although you have good cause to think otherwise. Even a dishonest man, if he thinks you regard him as honest, likes to live up to the reputation.

**PERSONAL
TOUCH TO
LETTERS**

(5) Don't make your letters a *mere dun*—get the personal touch into them. Manifest an interest in the customer's success and seek to encourage the spirit of confidence on the part of every customer that will not only collect your money, but attract his trade. Use courtesy, logic, tact, diplomacy, clever wording and deft argument. It will arouse a friendly willingness to pay.

**SYSTEM AND
REGULARITY IN
HANDLING**

(6) The most important thing is to *educate customers to pay bills when due*. Even when collectors are used, the trade should be educated to mail their remittances, as the time of the collector is valuable and should be put in on delinquents. *Promptness, accuracy and regularity* in your handling will accomplish it.

Automatic regularity in following delinquent accounts is essential and may easily be maintained by the following method:

(a) Keep all papers pertaining to an account in one place—your credit folder. Thus you will have full facts before you and your action will be consistent with previous handling.

(b) As letters are written, or as you desire accounts taken up, place a future call date on the papers.

(c) Keep a card index for each day of the month (1 to 31) and enter on a blank card the names of the accounts scheduled to receive attention on each particular date, thus all papers are brought up automatically for attention. Never keep papers out of your credit folder for any length of time. Should you not be able to give them attention on date set, place call date on them for the following day or later if circumstances have developed, postponing the date of consideration.

**PROMPT
COLLECTIONS
HOLD
BUSINESS**

(7) Customers who keep their accounts paid up, feel a certain amount of satisfaction in dealing with you—that they are privileged persons—always welcome.

If a customer lags in payment, there is an irresistible temptation to trade with your competitors. Keeping the buyer up to date keeps his conscience clear and helps to hold his trade and not infrequently makes a good customer out of a poor one. With dragging accounts the tension is drawn—the handling all the more difficult and the business frequently lost, because the customer has been allowed to overstep wise limits in regard to terms of payment and credit.

Much delinquency or abuse of terms can be prevented—by the prompt and proper use of correspondence by the Credit Department—rather than waiting to get time to make personal calls—which is the more expensive method. Even some of our local public utility corporations, with their time-honored custom of personal collectors, have recently adopted the use of mails in the work of collecting, and are meeting with improved results over the old method.

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Qualifications of an Ideal Credit Man

By H. VICTOR WRIGHT
Treasurer, Feagans & Co., Los Angeles, Cal.

The problem of granting credit is one of the most important confronting the retail merchant of today.

Shall he endeavor to conduct his business purely on a cash basis, and, if not, then to whom shall he grant credit, and to whom shall he refuse it?

If he determines to extend credit, then by what means can he most effectively protect himself from the incurring of bad debts?

If the business affords opportunity for the granting of credit in any large degree, then the services of a wide-awake, up-to-date credit man are of vital importance to its success.

This is readily recognized when we consider how a *few* mistakes in the extending of credit may, in a very short period, result in loss sufficient to woefully deplete, or maybe entirely obliterate, what was thought to be a most handsome gain.

The denial of credit means the loss of trade! It may mean the forfeiting of profit or it may mean the prevention of loss.

What, then, are the qualifications which a merchant should look for in the man (or woman) to whom he is about to entrust this most important department of his business—the individual who is to pass favorably upon the largest volume of business with the smallest percentage of loss?

And, right here, let me say that the merchant who takes into his own hands the granting of credit, without consulting the credit department, is doing an injustice, not only to the credit man, upon whom the responsibility has been placed, and to whom it rightly belongs, but he is doing a greater injustice to himself, for sooner or later he will discover that "it would have been better for him to have taken it up with the office."

If the merchant lacks confidence in the ability or the judgment of the man whom he has selected to have charge of the credit department, then he should (after determining that his own lack of confidence is well-based) secure the services of one who satisfies that need.

It is also well for the merchant to realize that the credit man will follow up with much more vigilance and better grace the delinquent account resulting from an error of judgment upon the part of himself or his department, than one which reaches the ledger without any



due reference (or deference) to the credit department.

Let us look briefly, therefore, at the qualifications which would seem to be the most essential for the retail credit man—whose duties we consider more than ordinarily complex, embracing as they do, at some point, every angle of the business, for the up-building and protection of which his efforts are to be directed

In attempting to portray these characteristics, let not the writer be charged with assuming the embodiment in his own person of all the virtues which he may enumerate or extol.

The ideal credit man deals largely with character, and should therefore be preeminently a safe and sane judge of human nature.

He cannot afford to approach the problems which hourly confront him with vision distorted as the result of ill-health, dissipation or discord of any kind.

While not oblivious to the frailties of human nature, he must realize at all times that there is more of good in the world than there is of evil—more honesty than dishonesty—as evidenced by the fact that it is the *small* percentage of customers who seek to evade their obligations.

His duties will, however, bring him into contact at times with men and women who are dishonest and who are "laying" for him, and he must know how to detect and uncover that dishonesty.

Moreover, there are many honest people in the world to whom the extension of credit might be a serious mistake.

We need to satisfy ourselves concerning the applicant's character, his ability and his financial responsibility. To do this the ideal credit man must be much more than a good judge of human nature.

He should possess a good knowledge of general business conditions, especially the conditions existing, and likely to exist, in the particular locality which he serves.

He must be gifted, either by nature or by education, with more than ordinary tact, for his duties demand that he shall judge his fellow man at two of the most sensitive of all points—his character and his financial responsibility—and the dispenser of credit who does not, under all circumstances, concern himself with both of these qualifications in the applicant, and does not know both how to judge character and to determine financial responsibility, is unfitted for the position which he assumes to fill.

I do not call the account of a man of dishonest reputation and large resources a *desirable* account; I would rather call it a relatively safe one.

In the case of both employer and employee, the *ability* of the applicant for credit to make good is a fact to be reckoned with, and which should never be overlooked. It has a most important bearing upon his financial responsibility.

The manner in which an applicant meets his obligations—how he pays—helps to determine his character, for a man of good character is never *systematically* neglectful, though a man of otherwise bad reputation is sometimes most punctual in the payment of his accounts.

The ideal credit man must not be unduly timid, for, while possibly establishing by that means a record for the minimum percentage of loss, he will sooner or later be awakened to the fact that the business has been going to the house whose credit man is willing to take a bigger chance.

On the other hand, he must not be unduly hasty—willing to take much for granted, and careless in his investigations—for such a course would probably result in a volume of sales so phenomenal as to excite the envy of every other dealer, and be a source of gratification to

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A. B. JONES	Assistant Cashier
W. C. BRYAN	Assistant to the Cashier
W. H. LUTZ	Auditor

STATEMENT OF CONDITION AT CLOSE OF BUSINESS

MAY 1st, 1915

RESOURCES

Loans and Discounts	\$16,113,613.55
Bonds, Securities, Etc.	1,486,289.00
U. S. Bonds to Secure Circulation	1,250,000.00
Premium on U. S. Bonds	NONE
Furniture and Fixtures	175,000.00
Cash and Sight Exchange	6,853,571.10
TOTAL	\$25,878,473.65

LIABILITIES

Capital Stock	\$1,500,000.00
Surplus and Undivided Profits	2,524,342.88
Circulation	1,200,100.00
Reserved for Taxes, Etc.	46,365.50
Bills Payable	485,000.00
Letters of Credit	29,230.80
Deposits	20,093,434.47
TOTAL	\$25,878,473.65

Interest Paid on Time Deposits

Completely Equipped Safe Deposit
Department — Commercial and
Travelers' Letters of Credit Issued

the management of the house which he represents, but the envy will be of short duration, and the gratification will diminish as the losses increase.

The ideal credit man must possess a well-trained memory, and will find it a source of constant helpfulness. The practice of trusting to memory, however, is fraught with dangerous possibilities.

He will therefore be most careful to record the information which is daily accumulating, and see to it that these records are so systematized and maintained by his department that they furnish him with corroborative and added testimony.

The writer's experience leads him to believe that nine times out of every ten the *experienced* credit man will do well to stand by his first judgment for or against a credit risk—not by reason of the possession of any special gift of intuition above that of his fellows, but because his very experience has enabled him to arrive at decisions, not only with speed, but with accompanying accuracy.

His good judgment must not only serve him in extending credit in the first instance, but in knowing when and how far to extend it when further credit is assumed or sought.

The successful credit man will not only prevent loss for his firm by his judicious action in refusing an account when the applicant is unworthy of the accommodation sought, but by equally judicious refraining from resorting *unnecessarily* to legal recourse for the collection of accounts which have become delinquent.

No two customers are alike, and the treatment of each account will vary in proportion to the ability of the credit man in handling them.

The ideal credit man must be receptive to new ideas, improved methods, and changing conditions, not calling them *innovations*, but analyzing each new idea to test its merit and appropriate its due measure of worth—always striving for the greater efficiency of his department.

He must be a man of education, courteous in manners, and gentlemanly in all his dealings with customers, either in person or in writing, and showing the same courtesy and equal tact in his relations with those who are assisting him, and with his associates in other departments of the store service.

In conclusion, and realizing that the limited time and space have made necessary the omission of many more or less essential qualifications, I would say that the ideal credit

man will be one who cultivates the habit of constantly lifting his thought above the merely commercial aspect of the business in which he is engaged, and, recognizing that every man has his own rightful niche to fill, his own task to perform, fills it and fulfills it for the very joy which it brings.

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Pay today and trust tomorrow,
You never know what man to trust,
Take my advice, don't ask or borrow
Since man to man is so unjust.

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Credits and the Credit Man

By F. M. COUCH

Credit Manager, Blake, Moffitt & Towne, Los Angeles.

It is not always the case that a man invited to write or speak is allowed to choose his own topic; such, however, was the privilege accorded by the Chairman of the Literary Committee in charge of local articles to be published in the *Credit World*, so, accepting the invitation of Mr. H. Victor Wright, here goes as to "Credits and the Creditman."

In this necessarily short article I shall attempt to show you some of the points considered as vital by the average credit man in the opening of new and the handling of old accounts. Also, what the writer considers as vital in the make-up of the Credit Man himself.

In the first place, then, we take extensions of credit and what credit is. Webster defines Credit as follows:

First—Reliance on the truth of something said or done; belief; trust.

Second—Esteem; good name.

Third—A ground of confidence, authority derived from character.

Fourth—Trust given or received, mercantile reputation.

Fifth—Time given for payment.

It is not of record that Noah Webster ever served an apprenticeship as a Credit Man, but he has certainly covered the ground fully in the above definitions.

Fifty, or even twenty-five years ago the credits of the average large house were handled in a very different manner than they are today. Perhaps in no case is the pressure of modern business more clearly manifested than in the development of the various departments of a large business house of today.

Thus we have among other departments, the two departments upon which all the other departments of the house depend—the sales and credit departments. These might be well termed the two vital departments of any business. The first, the one which oversees the disposing of goods, and the other which keeps a close tab upon the credit responsibility of the purchaser and sees to it that first, the account does not go to an unsafe amount, and second, that when the account is due it is paid within a reasonable time. In the larger houses these two departments keep the department heads



reasonably busy (and then some). Since the writer is more especially interested in the money end of the merchandising game he will confine himself to his topic and forget the sales end, simply pausing a moment to remark that while it is a fine thing to sell a nice large bill of goods in any line, it is a mighty sight finer thing to collect for those same goods, and to do it if possible, at maturity and from a satisfied customer, than through any oversight to let it run until it is long past due and then possibly be obliged to use drastic measures in securing the money and to lose a customer.

Coming back to the matter of credit. If one will but stop to think a moment he will realize that credit, as known in the business life of today, must surely be of greatest benefit to all those engaged in merchandising. It is indeed only those whose daily life is lived in closest association with the "joys and sorrows" of credit granting and handling, who can fully appreciate to what a marked degree all operations in the business world today depend upon credit granting by mercantile houses, banks, and other financial institutions.

Credit granting is, and should be, an operation based absolutely upon *reason*—i. e., there should be a showing made of assets or other good and valid reason shown why the credit to be extended will be a safe risk, and that the house will have considerably more than a fighting chance for its money.

The policy of the credit manager is determined for him by the policy of his house, and he is then left to "go up against" the hardest of hard games—that of pitting his judgment against the possible determination of some of his customers to "put one over on him."

The man who specializes in credits will eventually come to that point where he will (in some cases at least) "have a hunch" that it is time to begin the reduction of some account, and the wise man will not ignore "the storm warnings," but will certainly investigate to see whether that particular "hunch" was well founded.

Many problems come daily to the credit man for solution, and readers who are in the game will agree with the writer that when one has been solved *two more take its place*. Some of the problems are connected with the "moral risk" or the degree of moral risk safe to take. There is a wide range of troubles common to all men in credit department work, and there is, perhaps, a still wider range in the credit methods of retailer and wholesaler and of different branches of wholesale merchandising where in some cases credit is restricted to weekly settlements.

Get a bunch of credit men together and you will find a lot of men who are inclined to look upon the world with a tolerant eye; who, for the most part are optimistic; who believe in men (even while they "require to be shown"); who enjoy life, and who for the greater part enjoy their work and would not care to change it.

Now a few words as to what the credit manager should be:

In the first place he should be (and usually is) in love with his work; he should be of a naturally calm disposition, since his daily work will have a tendency to ruffle him considerably on many occasions; he must be approachable, courteous, patient, diplomatic, sympathetic; he should be eternally vigilant; he should have a knowledge of bookkeeping, be posted to a reasonable extent in commercial law; he should have faith in mankind (but not too much faith); he should never forget (he will not after he has been in the game a while) that there are certain men in his locality who are looking for him and planning diligently to "hand him something," and he will find like the small boy that the "goblins will catch him if he don't watch out." Oh, it's a great game and full of excitement, and it costs money to lose, but it's fun to play it.

The credit man must keep closely in touch with his accounts, know which customers are approaching their credit limit; he must be broad enough not to shut off acceptable trade through overcaution, and yet cautious enough to preclude all careless extensions of credit to those not entitled to it. The Credit Man's position is truly a hard one because of the fact that he is between the two horns of the dilemma. On the one hand his firm is in business to sell the goods upon which the year's profits are made. If he is too tight upon his credits, sales are lost, with the consequent loss of the profit thereon. If on the other hand he extends credit unwisely the account itself is lost, with not only the profit upon the sale but the original cost of the goods as well.

Therefore, it will readily be seen that the passing upon the credits of a house and handling its collections is a wearing and sometimes a nerve-racking position.

A great deal has been accomplished when an account is properly opened—when the records are adequate and reliable and the case has been investigated sufficiently to verify statements made by the customer. But even when an account is properly opened unless reasonable care is exercised the "clouds are liable to gather" if the account is not properly watched. Many a good customer has been ruined so far as prompt payment is concerned through having his account overlooked inadvertently for an extra thirty or sixty days, and he afterwards feels that he is entitled to such a length of time as a regular thing.

In closing let me say that the position of Credit Manager for any reputable house is one which should fill with quiet satisfaction the heart of any man so privileged. Truly it is an honorable estate and offers opportunity for the best a man may have in him, and for all he may be able to acquire through study, experience, interchange of ideas, adaptation or adoption of the other man's strong points.

If the credit manager lives up to his privileges he will grow month by month in his ability to handle the difficult problems which are a part of his daily life.

Teacher (to new scholar)—Now, Mary, I'll give you a sum. Supposing that your father owed the butcher \$13.17, \$11.13 to the baker, \$27.08 to the coal merchant, \$15.10 to the landlord—

Mary (decidedly)—We should move.—*Hartford Times*.

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How to Refuse a Customer Credit and Still Retain His Good Will

By W. F. JANTZEN
President Jantzen-Railsback Company, Los Angeles.

In considering the question of refusing a customer credit and still retaining his good will, we have a subject before us of utmost importance. It is one that tends to the upbuilding of a large firm or to the gradual loss of much valuable influence that eventually means loss of business.

There are four points to consider in this question:

First—Applicant for Credit.

Second—Favorable Applicant.

Third—Unfavorable Applicant.

Fourth—Judgment.

In considering the first point, I want to say that at least 60% of the retail business today is done on a credit basis, and believe in many cases it is larger, for the largest department stores of our country are now encouraging and developing this feature, well knowing that it has a tendency to cement future business relations and reducing the shopping tendencies that prevail with cash buyers.

If this is correct, it appears that much care should be exercised in the initial step of receiving the credit applications.

Credit applicants, as a rule, are disinclined to talk much about their financial conditions and do not like to be questioned regarding matters which they feel are personal. They do not object, however, to giving detailed information when a printed application card is given with a request to fill out for the credit office. This application card should have questions which when properly answered, will enable the credit office to form a general opinion as to the desirability of the applicant.

If the applicant desires to take the goods at once, he should be asked to wait a few moments until the credit office can get into communication with the references.

If goods purchased are to be delivered, the order may be held until proper information is had before they are sent out of the store.

These precautionary measures in the initial transaction will obviate many later unpleasant controversies.

With the proper information now before us on the application card, we come to the second point, namely, Favorable Applicant.

There are many degrees of favorableness. An applicant may be favorable with an income of \$15.00 to \$20.00 per week. Another is favorable because he is an owner of real estate. Still another is favorable because of a large bank account.

With the information secured, the credit man must decide as to the amount of credit that each applicant is entitled to and so note on the account card or book.

If the application is favorable, a letter of acknowledgment may be sent advising the appreciation of the account and expressing a hope that the relations in the future may be mutually pleasant and profitable along the terms of credit accommodation.

An occasional letter from the credit office acknowledging the receipt of remittances will indicate an interest that will be appreciated and frequently quicken payments.

No credit man is disturbed if the information on an applicant is favorable, but if it should develop as uncertain or undesirable it brings us to our third point, which is a most delicate one to handle.

In the first place, we must consider that every person has a certain amount of influence in his community, and our decision if unfavorable should be conveyed to the applicant in a tactful and diplomatic manner. It matters not how bad a credit reputation an applicant has, it is best to advise him that with the information at hand we would not be justified at that moment to open the account.

If necessary, advise him of your credit terms and that accounts are due and payable on the tenth of the month following date of purchase and that information received from our reporting agency appears to indicate that he would not be able to conform to these requirements.

You might go a little farther by advising him that if conditions later be more favorable with him, you would be glad to take the matter up again with him.

I believe sincerely that if credit men would use more precaution in the initial opening of the account and have a clearer understanding, much of the later unpleasant conditions would be reduced.

The competitive feature of our present-day business is the cause of much of our losses. Credit men take too many risks without the precaution of securing themselves.

"Safety first" should be the motto of every credit man.

This briefly outlines suggestions leading up to the opening and refusing of initial accounts, but does not yet touch on the most important features of refusing additional credit to a delinquent customer who is already on the books.

This last phase requires much matured judgment, for political, financial and other conditions at times make a former desirable customer a present undesirable one on a credit basis, and it requires the best thought to be applied to retain the customer's good will and business on a cash basis until the conditions become more satisfactory.

It is now that a credit man should seek an interview with the customer and explain the matter frankly, advising him that the credit accounts are really "accommodation accounts" and should be taken care of according to terms—as your company depend on the payments of several thousand accounts to meet their obligations, and that your company cannot carry the accounts longer than sixty days.

I believe a thorough understanding should be arrived at in cases of large amounts to temporarily suspend the charge account, allowing future purchases to be made on a cash basis and request partial payments to be made on the past due accounts.

When the old account is settled, an understanding could be had to reopen the charge account, watching same carefully not to pass maturity.

In the event, however, that no response is received and no inclination shown to gradually settle old accounts, the debtor should be advised that his refusal to make any payments compels you to close the account, and steps should be taken to make collection.

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How Long Can We Carry Accounts?

By GEO. C. LAWRENCE

Credit Manager Coulter Dry Goods Company, Los Angeles

The question of how long an account can be carried on the books, and yet be what we would consider a profitable account is, no doubt, one which every Credit Manager has pondered over more or less. We all have some accounts on our books which come in this class, and it is sometimes a difficult task to determine just where to draw the line. There are so many conditions and circumstances surrounding the different accounts on our books, such as the financial responsibility of the customer, the quantity and character of the goods purchased, the amount of merchandise returned for credit, the customer's personal influence, etc., etc. Also, the terms on which the goods are purchased by the merchant, the percentage of profit and the expense of conducting the business are factors to be considered.

In these days of close competition and generally small profits it is imperative that the merchant turn his stock over often in order to show a fair percentage of profit at the end of the year. The length of time that goods may remain on the shelves will vary, of course, in proportion to the profit on the merchandise. If the stock is composed of staples and every-day necessities, on which the margin of profit is small, it must necessarily be turned much oftener than if composed of luxuries on which there is a large profit.

The reliable and successful merchant in marking his goods figures only a fair profit, based on sale for cash or a reasonable credit term. If the accounts run longer it will be necessary for him to add a larger percentage of profit in order to attain the same net results. When we figure that it requires at least thirty days to replace the goods on the shelves, we can readily see that it is impossible to carry accounts over sixty days on the books, if we are to turn the stock over three to four times during the year,—and it is necessary to do this in staple lines if we get the results we should on the money invested.

We are frequently told by a delinquent customer that they are perfectly willing to pay interest for the extra time which they have taken, but they do not expect to pay more than six or seven per cent per annum on a bill that has been standing perhaps six months. They forget that the money should have been turned over two or three times during this period, with a fair profit to the merchant each time,



and that the small amount of interest paid by them is not adequate or satisfactory.

In this connection, and with reference to charging interest on past due accounts, we believe that where it is impossible to make the collection, the merchants should make such a charge on every account which has run longer than sixty days. This item alone in a year's time would amount to considerable and would help pay the interest of the merchants who are often compelled to borrow from the Bank to enable them to discount their bills, and at the same time carry the customer on their books. We believe, too, that in many instances a charge for interest would induce punctuality in paying accounts.

To a certain extent the merchants may be the cause for the prevailing dilatory methods of some of their customers in paying their accounts. The average merchant is too anxious to sell goods and too fearful of losing a customer to demand that their bills be paid with reasonable promptness. What we need along this line is the co-operation of all the merchants, and we can then maintain terms which will enable us to turn our merchandise promptly and discount our bills without the necessity of calling on the Banks for assistance, except in extreme instances.

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209 WEST FORTH ST. Two Stores 605 SOUTH HILL ST.

Cash Sales vs. Credit Sales

By B. G. VOIGT

Credit Manager for the California Furniture Company, Los Angeles.

Of late there has been much discussion of the question, "the high cost of living." All sorts of reasons have been advanced, some apparently based on facts, others on mere fancy. I want to suggest that a very important factor in the increased cost to the consumer, of the necessities, is due to extravagance—to the demand for articles that are not really needed and bought merely because such goods can be had on long credit, and on easy payments. This means at a higher price than if bought when needed by the consumer on a cash basis.

The question then, Shall a merchant sell for cash or on liberal credit, is a most engaging one right at this time. Sooner or later it must be solved by all; for in its solution lie many of the fundamental causes of success or failure.

For many years I have studied the operation of both systems. I have weighed the matter from the merchant's standpoint and from the consumer's side. My investigations have at no time been confined to my own business, but have extended to many kindred lines. The theoretical side of the issue has long ago yielded to, or been confirmed by, the findings of actual fact. As a result, the position of the house which I have the honor to represent is unalterably to stand for cash or no sale.

To say that selling for cash economizes on office help, minimizes risk of defaulted payments, and so on ad infinitum, is to build and foist upon you a tier of well-worn platitudes. I will narrow the discussion down to the benefit a cash system, intelligently operated, confers upon the customer. I think everyone will agree that the customer's good is the merchant's gain—first, last and always.

The good of the customer starts with the merchant's buyer. It can not be denied that the buyer with the ready cash has entree into the good graces of the manufacturer not enjoyed by the buyer who must ask for credit. Not that the reputable manufacturer is a discriminator, but he generally has a bedrock price not available to credit seekers, nor even to the merchant who can pay cash occasionally. Then, too, the important item is to be able to buy in large quantities—an avenue open only to the man with the ready cash.

I will take the case of my own institution for an example; knowing that business better, perhaps, than any other.



Ever since its inception this company has bought for cash only. The furniture buying is conducted in person by our president. He is known in all the noted marts of this country as a cash buyer. Upon his arrival, it is no uncommon thing for him to find that his visit has been anticipated—even to the extent of setting aside for him many attractive "buys" not offered to the unknown buyer.

Upon the face, such a statement may seem an extreme assertion, but our company with every year a better year, stands on Broadway as a stubborn proof. And the fact that every year has been a better year is because of the benefit conferred upon the customer—no other explanation is possible.

Any commercial establishment operating on a close-margin cash basis; that is, giving its customers the benefit of its ability to buy at the lowest prices, should, as soon as the article is bought fix its selling price, which must be as low as will permit of a workable profit—and this price must be the same to every one, be he of modest circumstances or of the greatest affluence, and the same every day in the year.

The result—every-day values can be given that are so striking as to be taken, often, for special offers—values that will stand comparison to their distinct advantage with any others that may be offered by a competitor.

It is, perhaps, true that the merchant who does business on the long credit basis may materially increase the volume of his sales, especially if he indulges in a liberal supply of printer's ink in a more or less sensational method, or, while conditions are normal in a commercial sense, but this again leads to dangerous ground, for the reason that he is tempted to purchase beyond his ordinary requirements, in anticipation of a greatly increased volume of business, which if not forthcoming, together with a sudden and unexpected financial depression, is very apt to leave the merchant in an embarrassing and trying position.

To the merchant who wishes to conduct a profitable, clean-cut business with an appreciative class of people, my recommendation is the system of buying for cash and selling for cash, even though the volume be not so large, sharing well the gain with the customer.

Sounds simple, doesn't it?

It is simple—when you know what is required.

It is all well enough to lay down the rule that henceforth it shall be cash and cash only. If we get no farther than the rule, we are in worse condition than originally. The commercial graveyard is full of the remains of cash stores that were. Something was lacking. What was it? We can count the causes of failure upon three fingers: 1—insufficient funds to sustain a cash business; 2—insufficient knowledge and tact; 3—Insufficient moral courage,—the strength to persist in the face of seemingly insurmountable obstacles, without which no man can more than feebly scratch the surface just beneath which lie the mines of opportunities.

It is quite natural for any live, up-to-date merchant to do his utmost to increase his volume of business year after year, and this increase should be but a part of his reward for his honest efforts along legitimate lines. The greatest satisfaction, however, should come from the knowledge of the fact that he has built up an enviable reputation for himself and the institution he represents, and I am convinced that the concern that operates along the idea of **CASH** as opposed to long **CREDIT**, is on the road to success.



Seven Floors Exclusive Home Furnishings

Here only such home furnishings are evident as appeal to the critical taste of the connoisseur. And, though one wishes merely a seating piece, a set of draperies, or a gift from the "Gift Section" where prices range as low as \$1.00, the quality standard is consistent. Yet, the "California" offers values that stand favorable comparison anywhere in the entire West. We invite comparison.

Always Very Glad to Have You Look

California Furniture Co.

BROADWAY NEAR SEVENTH 644-646

The National Association

A Suggestive Critique



By ROBT. H. CANTLEY

*Credit Manager Grimes-Stassforth Stationery Company
Secretary Associated Retail Credit Men of Los Angeles*

In the belief that a suggestive critique on the work of the Retail Credit Men's National Association will be acceptable not only to the mind of National Secretary Richmond, but also to the EXECUTIVE BODY in toto, the following words are written.

The National Association has been in existence now for about three years during which time the past and present secretaries have donated most generously of their leisure in an effort to make the success of the Association an assured fact. A retrospective view shows us where mistakes were made and from which we must learn a lesson.

It appears a paramount factor that, unless the secretary is not only willing, but is able, to give to the affairs of the Association the amount of time which they require, we shall have a similar experience to that of 1913 and 1914, when Mr. Parker found it impossible to fulfill his obligations to the Association. Such another period of inactivity would be most disastrous to the Retail Credit Men.

Approaching, as we are, the time of our next convention, it seems opportune to impress on our National Association members the importance of providing the necessary funds to pay the man who has to do the work. It is not possible for any man to efficiently perform the duties attached to the office of National Secretary, in addition to holding a position as credit man for some retail merchant. It has been shown that it can be done for one year, but there is an element of doubt in the minds of some if it is possible for a longer term.

In the upbuilding of the National Association the question arises as to what is the most productive method of advertising its existence. Does the publication of a monthly magazine,

even as good as we have had for the past eight months, bring results proportionate to the outlay? Mind you, the outlay is not only dollars and cents, but in the mental power and time consumed in its production. Would the money and time spent not be *more* productive if we had a secretary who could and should go to the other cities and organize local branches? A live organizer could secure enough local memberships whose subscriptions on a percentage basis should meet the expenses. Why not, if necessary for the next couple of years, raise the per capita subscriptions to five dollars? With a present membership of — such a scheme should provide a sufficient nucleus to start on.

It is a question in the minds of some members whether a monthly letter, addressed to each member or local secretaries, from the National Office, giving information as to the various committees appointed, and the work being done amongst the other Associations could not be substituted for the magazine. The Credit World, while it has undoubtedly contained many not only interesting, but instructive articles, procured through Herculean efforts on the part of Mr. Richmond has, it would appear, fallen short in this respect. It is most desirable that the membership should be increased, and there can be little, if any, criticism on the work which has been accomplished in that respect, but a little more light on the actual work being carried on would, without doubt stimulate the interest in the ranks of the retail credit men throughout the United States.

Is it not a fact that members of the Association are asked daily what are the objects of the Association, and what are the advantages accruing to the members? Let some member answer these questions in the next issue of the Credit World.

In the past, all efforts have been concentrated on the securing of members, but in the future it would be advisable to concentrate our efforts towards effecting some legislation on the Bankruptcy Law, or endeavor to secure uniform laws in the matter of interest on past due accounts. Another item might also have the attention of the Legislative Committee, and that is the securing of a uniform law regarding the date on which an account shall become outlawed.

There is also scope for good work by a committee on reporting agencies and collection agencies. In connection with the former, it seems desirable to establish some system of uniform ratings and possibly a uniform charge to the members for investigations necessitating exchange of reports with other Retail Credit Bureaus.

With regard to the Collection Agencies, the importance of our National Office having a proper and complete record file cannot be over-estimated. It is only a little while ago, comparatively speaking, since some retail merchants were stung by an apparently good collection agency.

In the work of the Association, the hearty and unflinching co-operation of all the members is essential, and especially so in the case of the local secretaries, whose promptness in making their monthly reports to the National secretary would very considerably assist him in his work. The writer has been very intimately associated with Mr. Richmond during the past eight months, and has never met another man like him; he has literally worked night and day to make good the promise he made when he took up the work. There is no doubt in the mind of the writer but that, if President Woodlock and Secretary Richmond had not both of them been such conscientious, aggressive men, there would be no NATIONAL ASSOCIATION today, and, as was stated at the beginning, these remarks are merely offered in the nature of suggestions, inviting, if permissible, discussion through the columns of the next issue.

VACATION STORE

Where You Outfit for the Glad Vacation Days

We supply you with hunting, fishing and camping goods—clothing, footwear and shelter. Tennis, golf, croquet, bathing, yachting, kodaking, automobile and cycling. We carry enough of everything.

WM. H. HOEGEE CO.

Main 8447

138-42 South Main Street

Home 10087

An Application Blank, Illustrated and Explained

By WM. WEIR
Credit Manager, Hamburger's, Los Angeles.

In undertaking to write something regarding a subject which is so familiar to all who are handling Retail Credits I want to premise by saying that it is not the purpose of this article to criticise any forms or customs now in use, but to attempt to convey my interpretation of the application blank which is here illustrated.

Instead of a card, a strong Manila envelope 5 by 7½ inches is used. In this are kept all mercantile reports, letters, or other data appertaining to the opening of the account. All subsequent information which has any bearing on the credit standing of the customer is also filed in this envelope.

All application blanks and index cards are numbered in advance. The numbered cards are kept in their corresponding envelope until the application has been approved or refused. This method of numbering precludes any chance of error in the files.

The same number is used throughout, appearing on all bills, statements, and correspondence.



F 29-41-5897

OK _____

No 16497

NAME _____		Date _____	
STREET _____		TOWN _____	LIMIT _____
			REPORT ASKED _____
			AGENCY _____
TELEPHONE _____	TELEPHONE _____		REPORTED _____
OCCUPATION _____	BUSINESS ADDRESS _____		ROTARY INDEX _____
FORMER RESIDENCE _____	HOW LONG HERE _____		STREET INDEX _____
REFERENCES _____	REPORT _____		INDEX CARD _____
"	"		NEW ACC'T CARD _____
"	"		BOOK _____
"	"		SIGNATURE CARD _____
BANK _____	KIND OF BANK ACCOUNT _____		LETTER _____
BANK NAME _____			MAILING LIST _____
OWNS PROPERTY _____			
RENTS OF _____			
NAMES OF OTHERS BUYING ON MY ACCOUNT _____			
REMARKS _____			

[Reduced fac-simile, original 5 x 7½ inches]

When interviewing an applicant the importance of securing all of the information obtainable "and then some" cannot be emphasized too strongly.

When you are granting credit, a favor is being extended, and that is the time to secure the fullest possible information, not afterwards. A subsequent request for additional references usually causes a very unfavorable impression. Opening accounts upon too meager information often leads to disastrous results.

The accompanying illustration exemplifies the application when completed, with the exception that the reverse side is ruled and used for a summary of the information obtained through the Reporting Agencies and from other sources.

19-4-1899

NEW ACCOUNT

Index No

Nº 16497

Name

Address

Business

Occupation

Limit

Remarks

Original card 3 x 5 inches

Special attention should be given to the applicant who is making his initial request for credit. It is of great importance to know how long he has resided in the vicinity; also to obtain his former residence, address, and references. In addition to this a report on the previous record and standing of the applicant should be procured from some reliable association handling Retail Credits. All references and special reports should be obtained through the local Retail Merchants Credit Association, its files thereby becoming complete and being accessible to all members of the Association.

When securing a bank reference it is of special significance to ascertain the kind of account carried, and how checks are signed.

It is valuable information to know what property the applicant owns, whether it is encumbered and if so to what extent.

The signature of each charge customer, and those of other persons authorized to buy on an account, are kept on file at the "take with" authorizing station, thereby providing an absolute identification of the person making a purchase not to be delivered.

Charge customers are required to sign all sales-checks or transfers whether a "take with" or for delivery.

The value of this signature file will be apparent when it is remembered that it can be used for identification of persons desiring to have checks or money orders cashed, and other similar accommodations.

The Rand Rotary Index is used for quick reference at the Authorizing Stations, and is a very valuable adjunct, where speed is an absolute necessity.

Residence

Nº 16497

Sign Here

Signature of others {
Buying on my acc't {

Occupation

Bus. Address

Date

Tel. No.

F 19-4-4189

Original card 3 x 5 inches

The items in the right hand margin are used to check the progress and detail work necessary to complete the application.

This brief sketch of the application blank, which has been presented for consideration, shows the importance of the envelope instead of a card; the value of the numerical system; the necessity for securing the fullest possible information; and the usefulness of the signature index.

Inefficient Management

Smythe (dismally)—Nell, I simply can't meet my creditors.

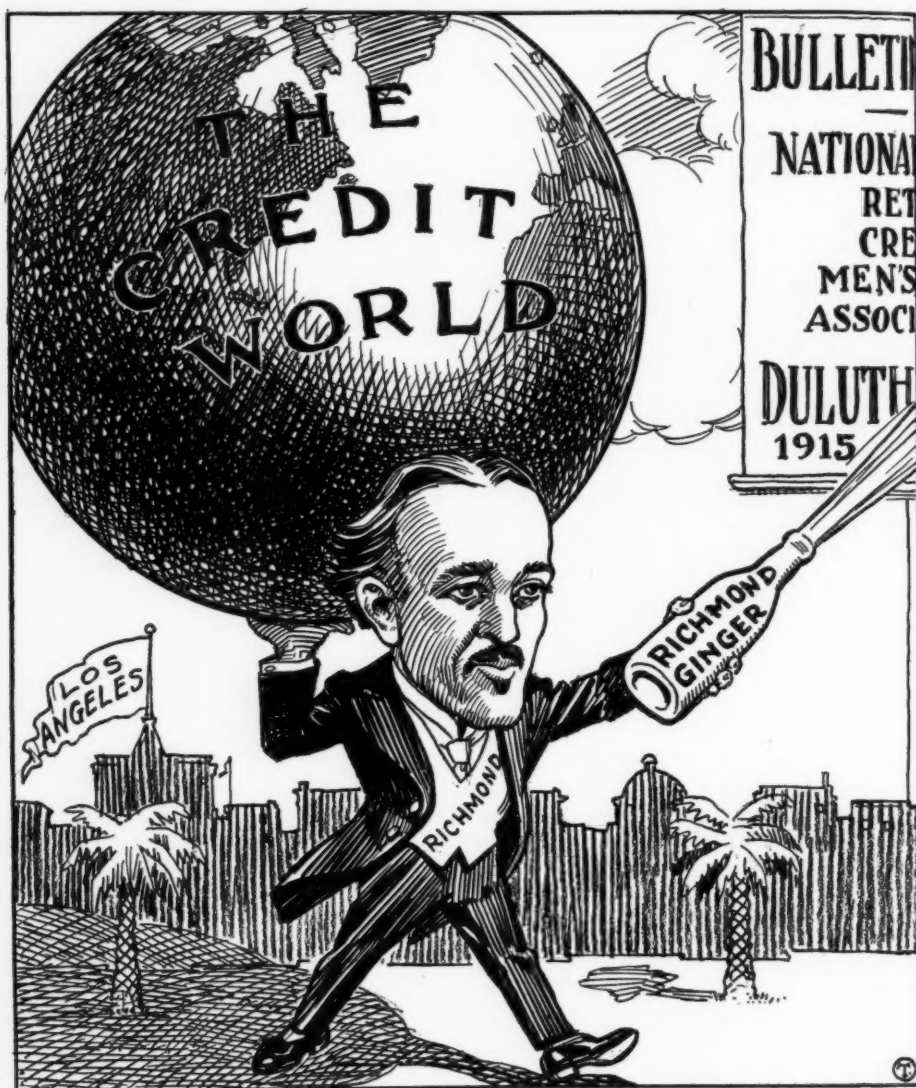
Mrs. Smythe—Why should you? What in the world do you employ a secretary for?—Puck.

M. T. LEE
Public Accountant and Auditor

Suite 735-740 Title Insurance Bldg.
Los Angeles, California

Phones
Broadway 4971
Home F 1235

The ways to Duluth are many—only



Upholding the "Credit World"

Could the gifts of man make a position more honorable—note, the liquid that issues forth from that famous bottle, well intent on its mission, guaranteed to produce a booster after one shot—TRY IT.

Notify the National Secretary at once how many

just hit the trail brother—hit the trail



What does that cork say—it says “Get that ad”

What ad? Why, an advertisement for the July issue of the Credit World! IT HAS SIMPLY SIFTED DOWN TO THIS and I will take it as such—WILL YOU UPHOLD ME OR WILL YOU THROW ME DOWN. Your efforts for the July issue will tell the tale. Have I not tried to give you a readable, live-wire magazine, and haven't I given it to you once a month? Did you ever get this much for your money before? Now will you show your appreciation if you possess any—or will you hold back and ACT NOT and allow me to take for granted your displeasure? I say from my heart that this, the Los Angeles number, is the highest class publication ever put to press in the interest of the retail credit man. What made it possible? Who made it possible? First, it was made possible by the untiring efforts of the various members of the Associated Retail Credit Men of Los Angeles; second, the amount of money secured through its advertising made it possible to ELABORATE a little on its GENERAL MAKEUP. Now GET THAT AD that I may make our last issue before going to Duluth a real credit to the Credit World. Your Secretary,

H. B. RICHMOND.

On to Duluth in Mid-August

Duluth will be the Mecca of hundreds of our greatest retail credit managers. It will be life's opportunity of placing yourself in a position to meet—to shake the hand of the brainiest men of the CREDIT WORLD. Will you take advantage? Duluth hospitality is exceeded nowhere on earth.

The Northern blood that courses through the bodies of our hosts to be is as *pure* and as *true* as their hearts are *big—manly men*, strong in mind and constitution, awaiting the time to arrive that they may throw open wide, yes, wider than any convention city ever did, the gates of beautiful DULUTH. If you fail to have a good time blame your secretary. Dates August 18-19-20.—RICHMOND.

will be in your party--BOUND FOR DULUTH

Character and Credit

DR. J. WHITCOMB BROUGHER

Pastor Temple Baptist Church, Los Angeles, California

I speak as a business man. I represent the firm of Lord and Church and the business of manufacturing character.

Character is the foundation upon which all successful business must rest. If my business should fail, sooner or later all other reputable business would fail. A man's opportunity for work depends largely upon his reputation. A reputation for honesty, for ability, for efficiency and fidelity will make it possible for a man to get work, borrow money or be given credit. These things will give a man a chance to rise over the most adverse circumstances and achieve success where others go to the wall.

But greater than reputation is character. A man's character must be better than even a good reputation. Reputation is the glove; character is the hand in it. Reputation is the polish; character is the solid wood. Reputation is what your associates say you are; character is what God knows you are. A healthy body, a clean mind, a clearcut moral conscience, a vigorous, courageous will, a pleasing, agreeable personality, a good reputation and fair financial standing, are usually regarded as furnishing "a good risk for credit." But all these things must rest on a noble, manly, upright character if they are to be permanent. No man can long maintain a strong body, clear mind, good moral judgment, attractive personality and be well spoken of, who has a "rotten character." If the foundation is rotten the superstructure will fall sooner or later. A man's character will permeate and affect every part of his nature. The man of good character is always an optimist. He knows that character is going to endure forever.

A man who does right is bound to win. No man can succeed long doing wrong. Doing wrong is breaking a law of God. When you break God's law it breaks you. Climb to the highest building in your city and try to fly without a machine adjusted to the law of gravitation. What happens? You break the law of gravitation? No, the law of gravitation breaks your fool neck down at the bottom of the building. The man who is going to think right and happy thoughts, the man who is going to speak the word of cheer and inspiration, the man who is going to do the deed of unselfish service, the man who is go-

ing to help bear his neighbor's burden and so fulfill the law of love, that man must have an unselfish, Christlike character.

Character is not something you can buy. It is self made. A man has two creators, God and himself. God furnishes the life and the material and the man makes out of it whatever he chooses. If God sent a building inspector around not many self-made men would find any chance to brag. The character we build is the result of all life's thinking, speaking, talking, acting and various experiences.

A number of years ago an old friend of mine asked me to talk into his phonograph. I told him I had talked into a lot of dumb things but I had never tried a phonograph before. He brought his machine to my house and I made a little speech into it. He took the record out and brushed the dust off (it was a dry speech) and then turned it on for me to hear. It was horrible. I asked him how much the record cost. He told me. I said, "I will buy that one." I would not have left that record behind me for anything. It would have ruined me. I made him go away and give me a chance to think for a week. I prepared a three minutes' speech, committed it to memory, learned how to modulate my voice, made the right gestures, looked in the mirror and made the right faces. Then he came and I delivered my speech to his phonograph. It turned out to be a dandy. But I thank God I had a second chance.

The soul that God has placed in the human body is a machine a million times more sensitive than any record Edison ever invented. Every thought, word, action and experience makes its impress upon the soul. The final result of all those impressions is a "record." That record is character. How many men would be willing to have that record suddenly revealed to the world? Most of them would want to have it "peeled off" and be given a second chance to make a better.

Every man is making his own record and must face it sooner or later. The character that he is making will decide life's success or failure, life's choices and destiny.

Sow a thought, reap an action;

Sow an action, reap a habit;

Sow a habit, reap a character;

Sow a character, reap a destiny.

"Chats Thrift"

by Robert J. "Bob" Burdette

"A Little bit out of every pay envelope, enough to patch the leak in the roof, enough to provide for the 'rainy day,' enough for the little holiday once in a while, enough for a new book and an evening at 'the show,' enough for the dreary days of sickness.

"Enough to pay every bill when it is presented. Enough to take up the note when it is due. Enough to save the man from becoming the unmitigated nuisance that is always borrowing quarters and halves, knowing they are obligations too small to justify a dun.

"Just enough in the bank so that when your wife needs a little extra money for the little emergency demands in the household, she won't come to you with the air of a woman who has made up her mind to suicide or murder, and doesn't care very much which.

"That's thrift. That makes a man rich on a salary. Earn; save; lay by enough to keep the wolf away from the door when the hearse with its sable plumes halts to receive its freight of nothingness."

[From an address before the
American Bankers' Association
Convention in Los Angeles, 1910]

The Ideal in the Co-operation of Credit Information

By E. M. HITCHCOCK

Manager Retail Merchants' Credit Association, Los Angeles.

"Ideal,"—just what does this word mean? Webster says it is an imaginary model or standard of perfection. I take issue with him to the extent that it is not at all times imaginary. To the contrary, our individual ideals are met with occasionally, if rarely. I claim the "ideal" in the exchange of credit information can be reached.

The credit men of the world have for years looked for the "ideal" in the exchange of credit information through a central bureau to minimize loss, also to eliminate the parasites who, in the days when commercial jealousies existed and exchange of credit information was scarce, lived upon the merchant by "staying his welcome" out in one neighborhood, then moving to another and finally passing on to another city to continue his easy method of making (?) a living.

At this date in Los Angeles the credit men have progressed to such an extent that people of this character get "short shrift."

In Los Angeles prior to 1909, there was practically no co-operation among credit men and merchants in the exchange of credit information for credit protection. They had recourse to a local mercantile agency, which, while having merit, lacked co-operation, due, principally, to the fact that when credit men pay at the rate of so much per report they will not request a report regarding the standing of applicants for credit who give the merchant or credit man references at the time of his making the application. Why? To save cost of the report (especially when they were in excess) they would have their office help call the references instead.

"What effect does this have on the agency?" First, if the agency had "worked up" the report, all subsequent inquirers would have had access to the report at a moment's notice. Second, this old method gives a "bad actor" the opportunity to secure credit in several houses within a short period, paying the first few bills promptly, then going the limit and failing to pay. This could happen without the agency

having knowledge of it so as to warn others, therefore, the method of an agency charging so much per report defeats co-operation among credit men.

This lack of co-operation was practically eliminated in Los Angeles in the year 1909, at which time the Retail Merchants' Credit Association was organized and opened for business after a strenuous six months' compiling information, this being the first credit association formed on the Pacific Coast. At this date practically every city on the Pacific Coast of a population of five thousand or over has its credit association.

As it may be of interest to credit men of other cities, I will give, as much in detail as possible, our method of operation.

At the time of commencement every merchant member gave to the association a list of all his credit customers, their habits of pay, the highest amount of credit extended to each. This information was compiled on a three by five card, ruled into spaces for name and address of the subject and for names of houses reporting,—opposite each house reporting, a space for the rating and highest credit. Bank, property, and other information are written on the back. These cards are filed alphabetically, an index being used of twenty-five hundred divisions. When a report is "brought down to date" the fact is noted in red ink in the lower left-hand corner, and when a card is filled with information, it is marked No. 1, and an additional card used marked No. 2.

Every member is required to make inquiry on every applicant for credit. In the event that he should open an account, with a personal friend or one introduced by the head of the house, and should fail to make inquiry the association furnishes blanks (as a check) for all accounts opened during the week. This blank is mailed every Monday. This method gives the association a ready reference, also knowledge of every credit account on the books of every member. Other blanks used are, accounts closed temporarily until paid, which

is printed in blue; and another blank in red for accounts closed for good. These blanks are mailed or sent in daily and the association voluntarily telephones to other houses interested immediately, which prevents the customer getting further into debt, thereby making it easier for those he already owes to get their money.

Gathering Information

In the first place we dispensed with the old method of a reporter calling upon an applicant for credit, as this method had a tendency to "kill" business, as one would have to be devoid of even "horse sense" that did not realize why he was called upon by a reporter almost immediately after asking for credit, and in the majority of cases the applicant would tell the reporter to hunt a warmer climate and remark: "The credit man did not ask me a question and treated me very kindly, and if he wished to know about me he should have questioned me while he had the opportunity, and you can inform him if he does not care to extend me credit I can go elsewhere;" and often-times after passing through this experience an applicant declines the credit when O. K'd.

To obviate the above method the association requires the credit man or merchant to request references from all applicants at the time the request for credit is made, the answers to the following questions being required: How long a resident in the city? Occupation? Do you own property? Where have you other accounts? Where do you bank and how are the checks signed? If a newcomer, he is asked his former residence, where he had accounts, was he a property owner, and what bank he did business with. These references are given to the association, who interviews or writes the references, as the case may require, and when completed renders the report. This is done without disturbing the applicant, and in the large majority of cases, without his knowledge. Our experience teaches us that the time to ask for references is when the applicant is asking for the accommodation. Some credit men may say that an applicant will refer only to houses where he knows his standing will result favorably to him; but remember, we have a check on this as we have a record of every credit customer of every member of the association.

Applicants for credit are not allowed to do the "rush act." They are required to wait until the report is completed and are then notified by letter that the account is open or declined, as the case may be.

All information is gathered by phone, excepting banks, which are personally interviewed, and the large houses, which are visited by messenger twice each day delivering reports and gathering "trade opinions." For the purpose of giving the association knowledge of the slow-paying customers, each member furnishes a list once each month of all ninety-day past due accounts, which also aids in keeping files up-to-date, as the association gets by inference that others are paying promptly or the account is inactive, providing their names do not appear on the past due list. This method saves time and obviates the necessity of bringing each subject down to date so frequently.

The effectiveness of the above method can probably be better understood by the number of inquiries handled in the office each day, which will average three hundred and fifty, and during the fore part of each month on many days will reach five hundred inquiries, this amount of business being accomplished with the assistance of five girls, one messenger and the "bank man." The association also keeps records of all suits, chattel mortgages, judgments, divorces, etc.

Now as to losses prior to and after co-operation—as all credit men know, losses vary according to the nature of the business. Men's furnishings and clothing have a different class of trade to deal with, such as "would-be" good dressers on small salaries; the stationer and printer doing job-work for new and untried business enterprises; the grocer necessarily contends with the newcomer in his neighborhood; the trade in dry goods, jewelry, shoes, etc., is more general and the credit men of these houses have a slight advantage in dealing with the general class of trade and are not so much confined to one or two classes, such as men's furnishings, etc. Prior to the present method being established the credit men were fortunate to be able to show the "boss" a loss of not over 1%. For the past few years a loss greater than one-sixth of one per cent in the dry goods houses is rare. The loss of other houses rarely exceeds one-fourth of one per cent.

Without being egotistical, I firmly believe the above method of exchanging credit information is "ideal"; however, in following all methods and systems one of necessity must take into consideration the human frailties,—such as the negligence of credit men and their failure to return promptly information requested and other details necessary to the successful operation and attainment of the "ideal" in the exchange of credit information.

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How and Why the Credit Men of Los Angeles Have Largest Membership

By BEN F. GRAY

Our association is the largest in America because the members are representatives of practically every large business selling at retail in our city. From these members a board of directors is elected each year. These directors, co-operating with the officers, direct the affairs of the association, conduct the business, arrange instructive addresses for its monthly meetings, and are always on the alert to secure things of benefit to the credit men. Various committees are appointed by the president for one year. These committees consist of the Attendance Committee, the Membership Committee, the Entertainment Committee and Legislative Committee. Thus the association is on a firm business basis.

Each member looks forward to attending each meeting, knowing full well that he is to listen to an address upon a subject that will benefit him. The subjects taken up are those which will be instructive to the credit men. Being together, the members soon know each other, and have the feeling that they can take up with their fellow-members any matter upon which they want information, whether at a meeting or during their regular course of business. Everybody is trying to help the other fellow, and cheerfully tells about his systems, his business, his troubles and how he solves vexing problems.

The secret of the growth of our association lies in the co-operation among its members, and to the enthusiasm with which each member enters into the spirit of our organization. We are all banded together with one object in view, and that is to make ourselves more efficient in our work, and to absorb and give out knowledge that will be beneficial to the creditmen of Los Angeles. This in turn makes us the better qualified to fulfil the duties of our various positions with ever increasing efficiency.

None of our officers, directors or committee-men receive any compensation, and the operating expenses of our big association are practically nil. Our yearly dues are just enough to properly conduct the affairs of our association, and to pay the membership fee of each of our members in the National Association.



A different chairman presides over each meeting after the regular course of business is disposed of. These chairmen arrange for speakers for their respective meetings.

Our President presides over our monthly meetings, and the monthly meetings of our directors, and plans generally the entire business of our association. Our Secretary, Robert H. Cantley, (the hustling Irishman) has his hands full in notifying the members of things of interest that constantly come up in and pertaining to our association. He has been the Secretary since the organization of this association, and this alone speaks for the complete efficiency of his work.

The Attendance Committee makes it a point to call upon or phone each member who was absent from the last meeting, and ascertain why he was not present. This of course creates additional interest, and you will usually find the absent member present at all meetings in the future.

The Membership Committee calls upon various credit men of large retail establishments, and explains to them the advantages of

our association. If the first call does not interest the prospect, then the other members call upon him one by one until the prospect enters our fold.

The Entertainment Committee arranges the dinners, banquets and summer outings at which ladies are present and arranges for music, speeches, etc.

The Legislative Committee, consisting of attorneys, are having ordinances passed in our city and laws in our state that will be beneficial to retail merchants, and are instrumental in having the Judges and Justices quickly dispose of court actions, etc., and this committee is always open to answer inquiries pertaining to any laws in which the credit man is interested, and of course there is no charge for this service.

The above briefly outlines to you why we are what we are: "The largest Association of Retail Credit men in America."

Safety First

Southern California Edison Company, taking up the almost country-wide movement regarding safety first, has appointed a special safety committee, consisting of employees in the different departments. This safety committee is doing very effective work, both within the ranks of the company's employees, and the families of those immediately connected with the employees. They hold regular meetings at which the investigations of all accidents are discussed and suggested remedies recommended. There are also frequent meetings held in the different districts, in conjunction with the district agents and employees of the different offices.

The work of the committee has met with the most hearty endorsement of all the employees, of the company, and the resultant decrease in serious accidents is very gratifying. They are also having meetings in the different districts where the employees bring their families, and talks have been given by the Chief surgeon on first aids to the injured, and general preventative methods. The "Think before you Act" slogan has developed very rapidly among the employees, and it soon becomes a second habit.

As 95 per cent. of all accidents are preventable and 60 per cent. of these are due to carelessness which education will correct, it is apparent that the work of a safety committee properly applied will materially decrease the number of accidents.



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Why the Banks Should Co-operate with the Retail Credit Men

By A. J. PICKARTS

Vice-President Retail Credit Men's National Association

The most remarkable move of recent years in the business world has been without question the development, all over the country, of local organizations of retail credit men and the affiliation of these with the Retail Credit Men's National Association. Like all new movements this one has met with a certain amount of opposition from those who did not understand its purpose. But it is now rapidly winning recognition on its merits.

This article is written in order to suggest some of the reasons why the bankers of the country should support the movement for credit organizations. The writer does not mean to imply that the bankers have been hostile to the organizations. What he does want to convey is that there is a very good reason why bankers should take an active and friendly interest in the welfare of these groups of credit men—an interest which will best express itself by having every banker become a member of the retail credit men's organizations throughout the country.

The foundation of the banking business is the sense of responsibility in regard to credits which exists in a community. Business nowadays is practically done on credit, and there would be little reason for the existence of a bank except as a safe deposit vault, were it not for the credit business, which is done through its agency. The writer will venture the statement that the strongest single force making for responsibility in credits at the present time in the community, is the retail credit man. A fertile source of financial failure is found in the injudicious extension of credit by the merchant—and when the merchant fails almost always one or more banks have been involved in the disaster. And yet the merchant who employs a competent credit man seldom fails, because of too extensive credit. In fact, the recent wide development of the movement for credit men's associations is educating the credit men of the whole country to a wider sense of responsibility in this matter. In this way the credit organizations are fighting the bank's own battle, and therefore they are certainly deserving of the bank's support.

The good work of the retail credit men's organizations goes far deeper. While there are a few institutions in the banking world which deal exclusively with the financing of large affairs, the banks of the United States are for the most part eager for the credit business of the small depositor. Thousands of banks encourage the saving of money in such small amounts that the item of bookkeeping alone absorbs any possible profit which might accrue to the bank from handling the investors' money. They do this because they know that the habit of saving is cumulative—that the small savings depositor of today is the small investor of tomorrow, and becomes the large investor of the day after, who brings his loans to the bank who first befriended him.

I wonder how many banks realize that the retail credit men of the country are steadily and persistently urging their credit customers to save money by putting it into the bank? Every good credit man is "guide, counsellor and friend" to the hundreds of men with whom he comes in contact through business dealings at the store's credit window.

The credit man urges his customers to save, first for his own sake, because it reduces credit loss; and secondly for their sake. He accepts more readily a risk where the applicant has a savings account with the bank, because he judges that such a man has learned to live within his income, and that he will never want more than thirty days' time on his bills. The credit man is one of the best friends the banker has; but he works so quietly and over such a large field, that the banker often does not realize how much he owes to his friend in the retail store.

Moreover, the banks ought to join the retail credit associations for the educational value of such a movement. The banker has much valuable information which the credit man would eagerly absorb from him if he had a chance. The banker would probably be surprised to find out how much his friend, the credit man, can teach him about the strength and the weaknesses of human nature. When they once get together, we believe they will never drift apart, for the association will be too valuable to be broken lightly.

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420 S. Broadway, Los Angeles**

NOTE—We have no branch Store

Credits—Service—Collections

By W. G. TRIMBLE
Credit Manager, Bullocks, Los Angeles

The work of the credit man in the department store differs very materially from that of the wholesaler, and at the outset for brevity, I may state that in using the term "wholesaler," I refer to the various lines of business which would not be classed under the department store head.

We treat all of the various phases met by the wholesaler, only in a lesser degree, owing to the difference in volume of our wholesale sales, as mostly all of the large department stores now do considerable business with the smaller merchants out of town, who purchase from the retailer pattern lengths of dress-goods, silks and also millinery.

On the other hand, we have to be familiar with the installment dealer's methods, as many merchants do a considerable volume of business in the sale of pianos, sewing machines, phonographs and books. Then we have the individual credits, which is another phase of credit work, and possibly the most interesting, as far as volume is concerned. Thus, it will be seen that the retail man is confronted with three very essential forms of credit work, all three requiring entirely different methods of treatment.

The first—that of wholesale credits—is most satisfactory, inasmuch as our wholesale brethren have educated the merchant up to the point of appreciating that payment of obligations must be made promptly; being a business man, no offense is taken when you direct his attention to the fact that the account is overdue and prompt payment is expected. If the amount is not forthcoming the usual draft method is adopted with satisfactory results.

Installments

The installment end of the business is a very important one, the aggregate amount of sales being sufficient to consider it a business in itself. The basis for the extension of credit in this branch differs from that demanded by the wholesaler or from the regular individual charge customer, as the basis is practically faith in the individual that he will pay on the due date, if he has the funds; you cannot hope to realize on the savings of the past, as in the majority of cases there are no savings.

He is honest, and cares possibly more for the glory of being known as an honest man, than some of the more fortunate in the community.

Steady employment—continued good health of the family, and you get the safe risk of this class. It does not necessarily follow that all purchasers of merchandise under the monthly payment plan are not among the worthy and best element of society, for there are some very methodical people who arrange the expenditure of their income in such a way that they will buy merchandise only on that plan—they work out their plans on a percentage basis, placing so much weekly in the bank, so much for living and rental, so much for pleasure, and the remainder for clothes and furnishings of the home. A risk with such an individual is most satisfactory and you usually have the contract completed without any effort, save that of the ordinary detail in connection with all risks of this character.

Individual Charge Accounts

Next we come to the large, and as before stated, the most interesting class of our risks—that of the individual charge customer. The basis for the extension of credit to this class differs very materially from the two former, in this respect: The wholesaler is usually possessed of what is termed "The tangible basis for the extension of credit." With the installment risk you hold title to the merchandise under a conditional sale agreement until such time as the account is liquidated in full, at which time, title to the merchandise passes to the purchaser. With the charge customer, title passes immediately upon the acceptance of the risk.

There are three methods of opening accounts:

1. Personal application by the individual seeking credit.
2. Application by mail.
3. Solicitation on the part of the merchant for new business.

The first is preferable, inasmuch as it permits you to come in personal contact with the individual, obtaining the necessary information which is essential, at the same time permitting you to form a conclusion as to the personality of the individual making the request.

There has been considerable discussion as to the value to be placed on what might be termed "The intuitive judgment of the credit man." Some people contend that personal impressions thus formed, have no weight and should have

none in the extension of credit; that the matter should be treated solely upon the information obtained from the references given, and from the commercial agencies, irrespective of any conclusion formed prior to the receipt of the same. Personally, I believe that the impression which a credit man forms as to the individuality of the applicant before him, is a very essential factor, and never should be lost sight of, and if the completion of the investigation does not substantiate the impression created, it becomes necessary for the credit man to dig deeper, as there is something there which must either be uncovered or dismissed entirely from the mind.

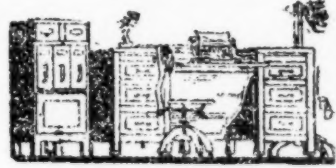
The second form of application namely, that of a request by mail, permits of no personal contact with the applicant until after the application has been finally disposed of, and in many cases you may never have the opportunity of meeting the individual, your conclusions being based entirely upon the reports obtained in response to your inquiries.

The third form is that used for the furtherance or promoting of the business, with a desire to obtaining additional accounts. Various methods have been used along this line, but in the majority of cases the account is offered to the individual without any formalities whatever, the said extension of credit being granted solely on the information received from the commercial agencies and the fact that the individual has established a reputation for the prompt payment of obligations incurred.

There are a number of individuals among our charge customers who are possessed of the tangible basis, though that number is in the minority; the majority of the risks accepted are solely upon character, ability, earning power and an acquired reputation for the prompt fulfillment of obligations incurred—four very essential factors, and when properly assimilated, form the most ideal basis for credit. On any number of occasions, you will get the first three qualities, and the last one—promptness—is an unknown quantity. Where a contingency of this kind confronts the credit man, it is a condition which necessitates his determining whether he is confident in his ability to take in hand an individual of this character—lacking the essential trait, promptness—or, will he decline the risk because the applicant is slow and he, himself, not a good collector?

Service

The wholesaler depends largely for his success on the quality of his goods and prices plus terms, while the retailer is confronted with all three, plus service. Service being one of the



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important factors, the credit man of a department store must appreciate the necessity of seeing that the service rendered is of the highest possible grade. He is known personally to a large number of customers and he is therefore constantly appealed to to rectify the shortcomings of others—he is at times compelled to overrule judgment passed by another on conditions which do not belong to his department, though inasmuch as it affects a charge customer he is the one who is looked to, no matter what sort of contingency arises. There are times when in so doing, he invites criticism by those affected by his decision, who do not realize or appreciate the vast amount of money, not to mention time and effort, expended by the controlling interests for the developing and up-building of the business, and a snap decision by a narrow-gauged individual will work untold havoc. This necessitates his being a diplomat of the highest order, that he may satisfy the customer, and at the same time protect the interests of the house. He must have the respect of all his co-workers from the cash boy to the general manager—he must be known as a man of the highest character and integrity, scrupulously honest and broad-gauged in his decisions, and when thus known, he experiences very little difficulty in having the support of his associates.

Collections

The salvation of the credit man after credit has been given, rests entirely upon his ability to control his collections. Some concerns are so liberally disposed to individuals who command attention by virtue of their stations in society, that it is with fear and trembling at the thought of giving offense, that the credit man finally asks for what is rightfully due his firm. To my mind, this is a most deplorable condition and is nerve-racking to the man in charge of the credit end of the business. Personally, I see no justification for discrimination—we have terms of sale, and they should be adhered to, it matters not whether a debtor is worth a thousand dollars or a million, when the date of maturity arrives, he should voluntarily send his check or expect to be dunned. Some credit men contend that in so doing, you drive away a considerable volume of business; notwithstanding their contention, my experience has proven that the only one you drive away is the individual who makes it a practice never to pay unless forced to do so. In other words, his *slowness is chronic* and therefore unprofitable.

Educate your customers to the point of understanding that when you sell merchandise,

WE maintain a legal department for the benefit of our clients—and a collection department for the adjustment of overdue and disputed accounts.

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you expect settlement made promptly, in conformity with the terms of sale, and in a very short time you will have your accounts settled promptly, and some will do so at the expense of your competitor who has a reputation for being easy in regard to the matter of collections.

You, of course, understand that this plan calls for intelligent handling. You cannot afford to browbeat the slow individual (as with such tactics, a credit man becomes a detriment to the business rather than a help), always bearing in mind the fact that if you cannot consistently extend further credit, you can still sell him for cash; his good will is an asset worth having and cultivating. The letter written to him must be couched in such terms as to get responses and leave a good impression upon the individual to whom it was sent; it should be brief and to the point, and above all, courteous in the wording.

Denver Association Sixteenth Annual Meeting

The 16th Annual Dinner and election of officers of the Retail Credit Men's Association, was held in the main dining room of the Daniels & Fisher Stores Company, Tuesday evening, April 20. One hundred and fifty members and guests sat down at the beautifully decorated tables at about seven o'clock.

After a most sumptuous meal had been disposed of the audience enjoyed addresses by Dr. Livingston Farrand, President of the Colorado State University of Boulder; Dr. Frank Lory, President of the State Agriculture College of Fort Collins, and Governor George A. Carlson.

Mr. Frank P. Allen, with the Bohm-Allen Jewelry Company; Mr. C. B. Carleton, with the Gano-Downs Clothing Company, and Mr. S. J. Sweet, with the Joslin Dry Goods Company were elected directors to fill the places made vacant by the three retiring members.

The association is proud of the fact that after sixteen years of hard work in Denver they are beginning their seventeenth year with more enthusiasm and better support of the merchants than they have ever enjoyed before. The organization has long ago passed the experimental stages, and is now looked upon by all the merchants of the city as the most substantial and reliable agency for the gathering and distributing of credit information that has ever been in the city.

When the various stores compare notes at our meetings it is easy to understand the inesti-

mable good that has come out of the co-operation of our members, and thousands and thousands of dollars are saved for the members each year.

The association through its efforts during the past year succeeded in having a short check law passed, which makes it a misdemeanor in Colorado for the issuing of a short check. This law has the hearty support of our banks, who are working in entire harmony with the association to stop this growing evil of short and fraudulent checks.

There is at this time being subscribed a fund of \$10,000 to be used in the prosecution of fraudulent checks, and it is the purpose of the members of our association to spare no effort in bringing to justice offenders who impose on our members, through the issuing of spurious paper.

There has also been demonstrated by the co-operation of the merchants of Denver the value of concerted action along the lines of collecting accounts. The collection department of the association has made wonderful strides during the past two years, and it will undoubtedly prove of great value to any organization throughout the country which does not have a collection department if they will install one.

Matheson

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and
Women's
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Better
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Exclusively*

Educating the Charge Customer

By SAM KAWIN

Credit Manager, Desmond's, Los Angeles

Educating the charge customer regarding business methods is one of the most important functions of the retail credit man. In order to be successful, the credit man must be a thorough broad-minded business man—a man capable of contending with any condition that may arise.

The Brass Sign and the Pink Application Blank have proven to be great factors in getting the customer to realize that he is not dealing with an individual, but with an association composed of the livest wires in the country. One of the faults with some credit men is that they are too timid in their dealings with the customer. They are afraid that Mr. Jones will become offended if they try to impress him with the fact that their terms are strictly thirty days and that they expect him to liquidate his obligation when due.

By adopting uniform methods in conducting our credit departments it will be merely a short time before we will have the trade educated along credit lines.

It is also very important that statements should be mailed promptly. The merchant who gets his statements out first is the man who is going to get his money before the other fellow gets it. One of the first things that should meet the customer's eyes when looking at a statement should be this notation, "We are members of the Associated Retail Credit Men of Los Angeles and the Retail Credit Men's National Association."

When an account becomes delinquent a letter should be mailed advising the customer that his account is overdue. In some instances the telephone will bring the desired results, but in either event the matter should be handled in a diplomatic manner.

In taking an application for credit the applicant should be advised that the matter must be referred to the credit association before a reply can be given him, although there are some occasions when it is not good policy to mention this fact. It is up to the credit man to use his judgment regarding these matters.

Regarding delinquent accounts, a series of five or six follow-up letters will often bring excellent results. These letters should be money-getters, at the same time be so worded as not to jeopardize the customer's trade. It frequently happens that one letter is sufficient;



other times it is necessary to send half a dozen letters and at the same time keep the collector on the job.

We often hear the remark that "The credit man should be a sufficient judge of human nature to be in a position to decide at once whether or not he is going to grant the applicant credit." That sounds well in theory, but my contention is this, regardless of how favorable the man may appear, we are unable to ascertain by looking at him the amount of his liabilities that still remain unpaid. A pleasing personality may cover a multitude of sins.

In applying for credit at a bank the public understands that before this accommodation is granted it is necessary for them to go through a certain procedure. Why should they not treat the merchant with the same consideration? Merchandise is merely cash converted into a different form.

Another excellent medium of educating the public, is the publicity that our Association receives through the various newspapers. The only objection that we may have is that we do not get enough of that kind of advertising. By working in conjunction with the newspapers we are bound to derive gratifying results.

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Combined with good dictation and good typewriting, will sell more goods, collect more bad bills, settle more disputes and give you a better reputation than the same qualifications of mediocre worth.

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540 Wilcox Building, Los Angeles

The Function and Work of a Mercantile Agency

By A. D. KINNE
Of R. G. Dun & Co., Los Angeles, Cal.

In the earlier years of the commercial development of the United States, the granting of credit by one business man to another, was based mainly upon personal acquaintance or the knowledge possessed by friends, who happened to be in a position to supply information. Some of the larger houses employed travelers to visit their customers and report on their condition, but this information was expensive. Many relied on references given by customers, but in many cases this proved unsatisfactory.

The lack of any convenient method of investigating the character and responsibility of traders began to be seriously felt. Therefore, it was essential for some improved method of gaining credit information, particularly so, following the financial troubles of 1837.

In 1841, the first Mercantile Agency was established, its object being to ascertain for the benefit of its subscribers, the character, responsibility and financial standing of individuals, firms and corporations, engaged in business.

Offices were first established in New York on a small scale. The value of its service was soon recognized, and it was not long before it occupied a prominent place in the mercantile community, and today offices are maintained in the principal cities of the world. Many offices are maintained at a great loss, but the demand of the subscribers must be anticipated. Besides its branch offices with large working corps, it has numerous correspondents in the small cities.

Instantaneous information as to the credit standing of almost any concern in the United States and Canada, can be obtained through the medium of the Reference Book, which is published quarterly and contains 1,844,000 names, also valuable gazetteer matter.

The most important part of the Agency work is that of making reports. They must be the result of careful investigation, must be explicit, frequently revised and promptly furnished. If the Agency had not been founded and maintained upon honesty and integrity, it could not have lived and the support and patronage of thousands of merchants, bankers and manufacturers, testify to the reliability and thoroughness of its reports.

The Agency is not infallible, and from time to time is subject to some criticism, but the



Agency has advanced with the times, the demands on it are continually increasing, it has kept up with the demand and the quality of its information is continually improving. The credit man, as a rule, co-operates with the Agency, but there are still a few left of the old school, who fear that their competitor might share the trade of a good customer and are not free in giving ledger information.

According to an article published in a New York Trade Journal, it is stated that credit men, who have to depend largely upon the reports of Mercantile Agencies in extending credit, are of the opinion that the service furnished them today is far improved over that of several years ago, and that with the march of commercial progress, the Agency has kept pace. It also stated that the tendency towards co-operation between the Agency and the Subscriber, has been largely increased in the past few years.

The service of the Mercantile Agency was primarily designed to supply information to its subscribers, but it constantly renders great assistance to every other business man, no matter in what line he may be engaged, or where he is located; because it enables him

to obtain the full amount of credit to which his financial resources may entitle him.

The object of the Agency is not alone to enable its patrons to avoid the hazardous and unsafe, but to strengthen confidence where confidence is deserved. In other words, promote as well as to protect trade. Many wholesale dealers or manufacturers will not grant credit without having received a statement of the resources of a customer, and should a statement be refused to the Mercantile Agency, the fact may be regarded in an unfavorable light; for, it is argued that if large business houses and corporations make these reports voluntarily, there should be no reason why the smaller concerns should not also do so, unless there is something to conceal. The making of statements has become quite general, though occasionally a statement is declined for reasons best known to those to whom application has been made, or through ignorance.

A few weeks ago a statement was requested from a trader in an isolated part of the southwest, and his reply was as follows:

"in regard to your inquiry as to my financial standing. I do not think it is any of your dam business. I don't owe you anything. Keep your nose out of my business."



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**426-8 Marsh-Strong
Bldg. Los Angeles
California**

Co-operation on Credits

BY A. K. BRAUER,

President of the Merchant Tailors' Exchange of Los Angeles

The merchant tailors of Los Angeles decided recently to break the chains of bondage and custom, burn the bridges behind them, and organize for mutual protection. They realize that if they wish to continue in business and keep up with the rising cost of doing business they must divorce themselves from the time-worn habit of being too liberal in extending credit. Perhaps 90 per cent of the failures in our line are directly traceable to this one cause.

The average merchant tailor is an artist rather than a red-blooded business man and finds that in a few short years his capital is represented by a big lot of ledger accounts as dead as an Egyptian mummy and just as wonderful—because they look so wonderful and yet cannot be realized upon. Through lack of co-operation he has been compelled to go it alone, as it were, and, believe me, this going it alone is getting to be some job.

Thanks to the present depression we have had a little time to think and look around, take stock of ourselves and our antiquated methods of doing business. We have also discovered that there exists a strong local organization of credit men, affiliated with the Retail Creditmen's National Association, and also a Credit Rating Bureau, all made to order for us, as it were, and all that we have to do in the future is to join hands around the banquet table and be good fellows, learn to know each other and take advantage of the opportunity by becoming members of said organizations.

With a little study, and under the guidance of Mr. Hitchcock, its capable manager, we can all become quite efficient credit men and in a few years the one great parasite (Mr. Easy Credit) should be entirely eliminated from our business.

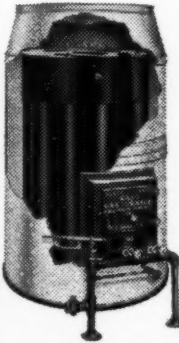


Our losses on bad accounts should not be over one-half-of-one-per-cent on the credit end of the business and one-quarter-of-one-per-cent should be the mark to strive for. It can be done, and is being done by houses right here in our city, who do a credit business of a million dollars (or more) a year.

In order to make the extension of credit profitable, instead of a losing proposition, we must co-operate honestly with each other by supplying the Bureau with a complete record of our past credit transactions. This information, after being properly filed in the Central Bureau, is at our command with over a hundred thousand other ratings supplied by firms in other lines.

Just think, Mr. Tailor, how easily you can put your business on a clean and wholesome basis if you will but co-operate and help yourself by joining and boosting for the new Merchant Tailors' Exchange of Los Angeles.

The Cass Warm Air Gas Furnace



This furnace is constructed especially for burning either natural or artificial gas. It is sold with a guarantee and can be installed anywhere in the United States. Cast iron construction to withstand gas heat and an operating valve that makes accidents impossible.

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LITTLE GIANT

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J. E. Morrison's Department

European Cunningness

vs.

American Prosperity

By J. E. MORRISON

*Secretary Merchant Tailors' Exchange,
Los Angeles*

What's all this talk of a new era in American trade? Will it reduce the Bread Line? Will it fill the empty dinner pail? Will it render impossible the monstrous anomaly of armies of unemployed in a land of plenty—three hundred and fifty thousand unemployed in New York alone? Will it set the factories to work that are closed, and work those factories full time that are now on half time, and put full crews back on the train? Will it tighten up the general slackness? That is what all this general talk of a new era means to the average man and the average woman; and if it will, what is to be done; and how is that to be done? One week of war did more than ten years of academic discussion to convince people that foreign trade is vital to domestic prosperity. If this country takes advantage of its present opportunities, the extreme optimist of today will be considered conservative in ten years. The era of prosperity is already on the way. The whole world is coming to America now. What do these statements mean? Is it hot-air and punk? The big fellows who usually employ millions do see it. Who is short-sighted, or who is long-sighted, or is it a pipe dream? The big-wigs and the high-brows who stir up facts till they are muddy with figures have straddled both sides of the dispute since the war began.

Here is cotton, they cried, slumped from twelve cents to six when war broke out, representing a loss to the South of a million a day. But while they cried and while the banks hustled to save the South with a cotton pool, up went prices within two cents of normal; and by the time the bankers had their loan ready, the South didn't need it; so that the loss in cotton was one that did not materialize to the nation as a whole.

"Wheat sixty cents a bushel," said Chicago, when war was declared and the Agricultural Department had announced the biggest crop



for ten years. But as it became apparent that the sea lanes were to be kept open to commerce up jumped wheat from seventy-five cents in the West to \$1.65, a sheer gain of almost \$1 a bushel on the 300,000,000 bushels America has to export.

Financiers were in a great quandary how America was to pay its debts to Europe in gold. While they worried, excess demands for American products from the warring countries paid all those debts and reversed the flow of gold back to America in a tide of unprecedented volume.

All this does not sound like hot-air. You can hardly imagine the National City Bank, New York, setting aside a million dollars to open trade with South America for the sake of hot-air; and in Chicago a corporation with a capital of two millions has been formed to sell Middle-West manufactures abroad.

"Exports unable to obtain cargo space!" retorted the largest charterer of foreign ships in the United States. "We are running one hundred and forty ships compared to a dozen a few years ago; and a cable from Italy explains the seeming shortage of cargo space. It is risk and insurance and delay, not lack

of space, that now hamper export trade. Outside Genoa is, at this writing, a blockade of one hundred and twenty ships with American cargoes unable to go inside, so great is the delay from congestion. When I tell you that for a 5000-ton ship 5000 miles to a port anywhere *not* in Europe, our freight total is about \$50,000, compared to a 5000-ton ship 3000 to 4000 miles to some port in Europe earning \$120,000 and that the latter ship costs us in delay \$600 a day, you will know there are more factors than space in this jump of rates on the Atlantic in war time!"

But this new era in American trade is more than a sudden boom of war exports. If that were all, the boom would pass with the passing of the war and the new era would matter little to the hotel porter or any one else. That is not what these big men had been planning ten years before the war. The war has simply opened wide the door of opportunity on which they have been knocking for admission. It is more than War. It is more than export trade. It is a silent transfer to America from Europe of two tremendous factors in prosperity. The world is buying from Uncle Sam what it formerly bought from Europe, and Uncle Sam is making for himself what he formerly bought from Europe. Sounds too far away to be visualized, but bring it down to terms of every-day life.

Take lace and lingerie, which touch the life of every woman and affect the livelihood of multitudes of woman workers, the spinner, the weaver, the dressmaker, the saleswoman, the white goods worker. Formerly, Uncle Sam shipped two-thirds of his big cotton crop abroad in raw shape; then bought back a large portion of that raw crop manufactured into goods by England and France and Germany and Belgium. In the days when Sully was regnant on the Cotton Exchange, where one dollar's worth of cotton manufactured into goods went abroad, the United States bought back its own cotton, manufactured into cloth by foreign nations, at a price several thousand per cent higher than it was originally sold. Lace is one of the high priced forms in which cotton came back. So is fine underwear. Now Uncle Sam is a lavish spender on those high priced forms of his own native cotton. It so happens that the war has laid waste those very sections in France and Belgium, where whole populations were given over to lace making. The case is almost as bad with Bulgarian and Roumanian lace makers. Why not make lace at home? Importers were at their wit's end



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when the war broke out. Experts were sent across the Atlantic to buy up the smashed lace machinery of France and Belgium and to learn how to operate it, and these importing houses are now manufacturing their French and Belgium laces in New York and New Jersey.

The same thing has happened in watch crystals, in dyes and chemicals, in photographic supplies, in pottery, in cork, in toys, in perfumes, in medicines, in gloves. Within two months of the great slump in the price of cotton, nine new cotton mills of very large capacity were opened in various sections of the South. Instead of "buy a bale," the slogan became "spin it." Hitherto, for every bale of cotton manufactured, England has exported \$147 worth, France \$69, Germany \$58, and Uncle Sam, who raises two-thirds of all the cotton in the world, only \$9. If the war lasts, it is inevitable that these figures shall be almost reversed. Uncle Sam grows two-thirds of the cotton used in the world. He exports only five per cent of all the manufactured cotton used. Europe, which raises almost no cotton supplies ninety per cent. of the manufactured cotton used in the world.

In the past our main idea has been to manufacture what we have needed; but if there is one thing more than another thoroughly learned it is that in order to keep prosperity on an even keel, not subject to the caprice of jumps up and bumps back, of booms and dumps, in order to keep the factory running full time and not eating its head off in slack years, there must be an opening on the foreign market.

Germany understood this keenly as far back as thirty years ago. The very war party now dominant, declared openly they must have foreign colonies in China, in Brazil, the South Seas, anywhere. "We desire it at any price, a German land with a German population of twenty to thirty millions. Whether it becomes an independent state or not is a matter of indifference. Without trade connections, our national development is threatened with failure." What does that mean? Put it like lace in terms of the every-day.

Take farm machinery. As long as a state is unsupplied, the factory runs full blast to supply the demand in its home state; but the supply is faster than the demand. When that home state is fully supplied, the factory must run slack time till the customers have worn out their machinery; or the factory must look over the line for fresh territory in another state. When all the states are supplied, it must run slack time till the customers have

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worn out their machinery or it must look for fresh territory in a foreign country. If it doesn't find vent abroad, at the first breath of dull times, poor crops, tight money, when people do not renew machinery, the factory must run half time or close, which works a hardship on the man in industrial life.

In the United States, this has been the case with farm implements, sewing machines, electrical supplies, steel products, cash devices, typewriters, motors, watches, twine and a hundred other manufactures. The manufacturers of these articles did not ramp abroad to scream "my country 'tis of thee" on top of a flag pole. They went abroad for a market because my countryman "'twas of them" they would have been without a job; and when factories employ from ninety thousand to two hundred and fifty thousand operatives, as several do, out of work means as great ruin as earthquake or war. There is not the slightest doubt that right in the United States today, owing to the failure to go out for foreign markets, there is more poverty from lack of work, poverty that is not spectacular, than in England and possibly France.

Where, then, is the prosperity coming in? Listen. Before this war, Europe did not want American exports competing on the markets of the world. Europe cut the throat of our export trade so neatly that we did not know it was being done. It was done with kid gloves and candy. A few of the big fellows like farm implements and sewing machines and steel, were strong enough to force themselves on the foreign markets; but the average independent exporter was like a rustic in a faro game with this export business.

Here was the situation and here will be the situation again after the war if Uncle Sam does not plant his big foot wide against the open door.

Pools, rebates, special rates are legal to foreign shippers. They are not to American. Here is the way it works! A steel shipper in Germany—we'll say, and the case is not hypothetical—was going out for the foreign market in Brazil. On export traffic, German railroads allow special rates all the way from 20 to 33 per cent. cheaper than for home traffic. Coming to waterside, the German steamships granted the German shipper rebates if he signed a contract to confine shipments to that line. In addition, the steamship line could pro-rate with a Brazilian railroad inland. The export shipper through German banks could extend special credit to his buyer.

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Consider the American shipper! He could obtain a special export rate only by permission of the Interstate Commerce Commission. Because the United States had no Merchant Marine, he could not obtain special steamship rates from foreign lines equal to the favors to the shipper of the same nationality as the ship. They enjoyed dock favors. Many of them owned docks, and as European capital has financed the railroads of South America, the United States shipper could seldom obtain the same rating inland. Supposing the discrimination made a difference of only two or three dollars a ton—often it made more—that was sufficient to handicap the new comer; and until the National City Bank established banks in South America, there was no medium of exchange for the United States.

It was against such odds that American exporters set out to chart world markets for trade. It was against such odds as these that two or three of the big firms have won the foreign markets. They have not told the inside *how* of the story. They are close-lipped at any time; but on this subject of export trade they were compelled in self-defense to use rubber heels and maxim silencers; but I have heard the *how* from the foreign end.

One big company set aside between three and four millions for the fight. They ignored the transportation discrimination entirely, and sent in a picked lot of export workers. Those workers plastered a continent from the Horn to the Equator, from the Andes to the Amazon with a single striking advertising sign. If you were on the streets of Buenos Aires, it winked at you in an electric sign. If you went mountain climbing, it glared at you painted on a rock. If you hiked across the farms of the Argentine, it stood on a bill board amid the wheat and the corn and the vineyards. The company then organized a staff of native house to house salesmen, selling direct from factory to user. When this driving system began to materialize in big orders (I think it took four years), the company was in a position to go to the transportation people and bludgeon them into favored rates. The sales of that company's products have increased three hundred per cent. since 1913.

Another big firm did not attempt to fight the transportation systems owned by European rivals. It could not fight transportation systems for the simple reason that it sold to them; so it sold its product at less on the foreign market than on the American market.

It sold for years at a loss, but it holds the market today and meets and overcomes the

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cheap labor product of foreign mills. Today it is in a position to command the steamships. It obtains favored rates though it is severely criticised for sales lower abroad than at home; and the *maxim-silenced* manager of it all does not dare tell why he did it; but he captured the markets of Russia, of China, of South America in this way. His companies today charter their own ships. Another huge company is in the very near future putting fleets of sailing vessels on to China and ports in the Mediterranean to hold these markets while the rest of the marine world is convulsed by war.

Just here two points should be emphasized.

It is contrary to law in the United States for rivals to combine to obtain favored rates. They will have to obtain favored rates to compete on foreign markets; and the President has publicly acknowledged that the law must be changed to permit this.

The other point seems incredible in this era of high marine rates; but even today with rates at a premium, it is cheaper to ship 4,000 to 8,000 miles by sea to these foreign markets than 600 to 800 by rail in the United States. It is cheaper to send a ton by sea to China or Arabia than it is to send that same ton by rail from Chicago to New Orleans.

In Russia, some of the big American factories have opened branches, where as many as 9,000 and 10,000 operatives are employed. Others employ sole special selling agents, who hold exclusive rights to large territories. The latter method has been employed by many of the implement, motor and typewriter people.

Daily the war is putting a new complexion on the foreign markets, and the United States is the only nation that can step into the gap. When you figure that Germany's exports to the Allies were a billion and a half and that the Allies' exports to Germany were a billion, there remains for some nation to pick up the discarded business of two and a half billion a year.

The United States is not the only country aiming at this great prize. England has called together an Institute of Commerce. What Germany has lost to the rest of the world, England with her matchless merchant marine may gain; but much of what she herself has lost to Germany, she can never regain. On every side, the United States is the only country ready to step into the gap.

The Door of Destiny has opened the biggest opportunity Uncle Sam has had in his history. Nor can it be called an utterly selfish dollar diplomacy, as rivals in trade have already hinted. If the United States now failed

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to take advantage of the growing demands on its resources, all the warring nations might go hungry. Do not lose sight of that fact for one moment. An embargo on American food supplies would starve Europe in sixty to ninety days. This bluff of telling Uncle Sam he should be thankful to have his goods bought is the kind of bluff that should be called. Uncle Sam is the only member of the family of nations who is in a position to dictate terms; and he has not yet put an embargo on food shipments as England has on wool and Germany on wheat. The United States has got to the point of paying a cent extra a pound for bread and three dollars extra a barrel for flour, not in the interests of her farmers and millers, but because this country has not seen fit to stop the food supply going forward to those whose need is greater. Who shall say that the well-being of an industrial army of millions does not rank as high as the bootless slaughter of other millions in a wasting war?

"Say, pa, what is the difference between a visit and a visitation?"

Fond Parent—A visit, my son, is when you go to see your Grandmother, and a visitation is when your Grandmother comes to see us.

One Man and His Bank

By J. E. MORRISON, *Los Angeles.*

Less than half a dozen years ago the president of a paper making concern in a Massachusetts town, a man who knows paper from the pulp to the printing press, had just four thousand dollars and a determination to go into business for himself.

He went to a man with some idle money and told him of his plan. The man with the money knew him and knew his record, and decided to invest, not because he wanted an active part in the business, nor from sentimental reasons, but because he wanted the money working.

So the young man went out and bought an old paper mill that another company had antiquated as profitless. In the meantime he had gone to his bank, the bank that held his four thousand dollars, where he had been carrying an account for years, and where everyone called him Jack, and told the president, and told him every detail of what he intended doing. Then he went to the bank where his heavy stockholder did considerable business and gave them the same facts. He did not ask for credit; it was unnecessary, for by the time the



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banks knew what was happening they were ready to offer it.

While the old mill was being equipped with modern machinery competitors were laughing, in fact they almost felt sorry to see a good man going wrong. But when it came time to turn on the power the other mills were rather surprised to find some of their best workmen going to the new concern. After that matters moved so rapidly that the young manufacturer found it hard to keep up.

Business came in, for this man could sell paper as well as make it, yet expenses were high and many. Improvements and increased facilities were imperative. Once, during the close times of 1907, the fight seemed lost, when, at about the last moment, a big and unexpected order marked "rush" came in and saved the day.

The fight of his life arrived the next year, however, when a competitor made a mighty attempt to put the young man out of business. The head of an old concern secured an option on the stock of the man who had been the first heavy purchaser. While the latter had no intention of hurting the business, his ideas were those of the non-progressive conservative type and he wanted larger dividends and less ex-

pansion. Thinking his money might bring more elsewhere he gave his option.

Having secured this temporary control of a goodly block of stock the competitor went to the banks that were carrying the new company, told them what he held and advised that they shut down on the young man as rapidly and with as much pressure as possible. Strange as it may seem the banks did not agree with him. He endeavored to impress them with his position, but they were obdurate.

The bank explained that both the young man and his business were intimately known to them, and they really liked both. The competitor was left with nothing to do but take a lesson from a young man who early learned the value of good banking connection. Even before it expired the stockholder who thoughtlessly caused the trouble had learned the error of his ways, for his young president explained the situation to him. The rest was very easy.

When the stockholder realized how matters stood he willingly sold the young man his stock and then loaned him more than enough to pay for it. During the year that followed the new company made more actual profit than the competitor who had tried to freeze them out had ever made in the same length of time.

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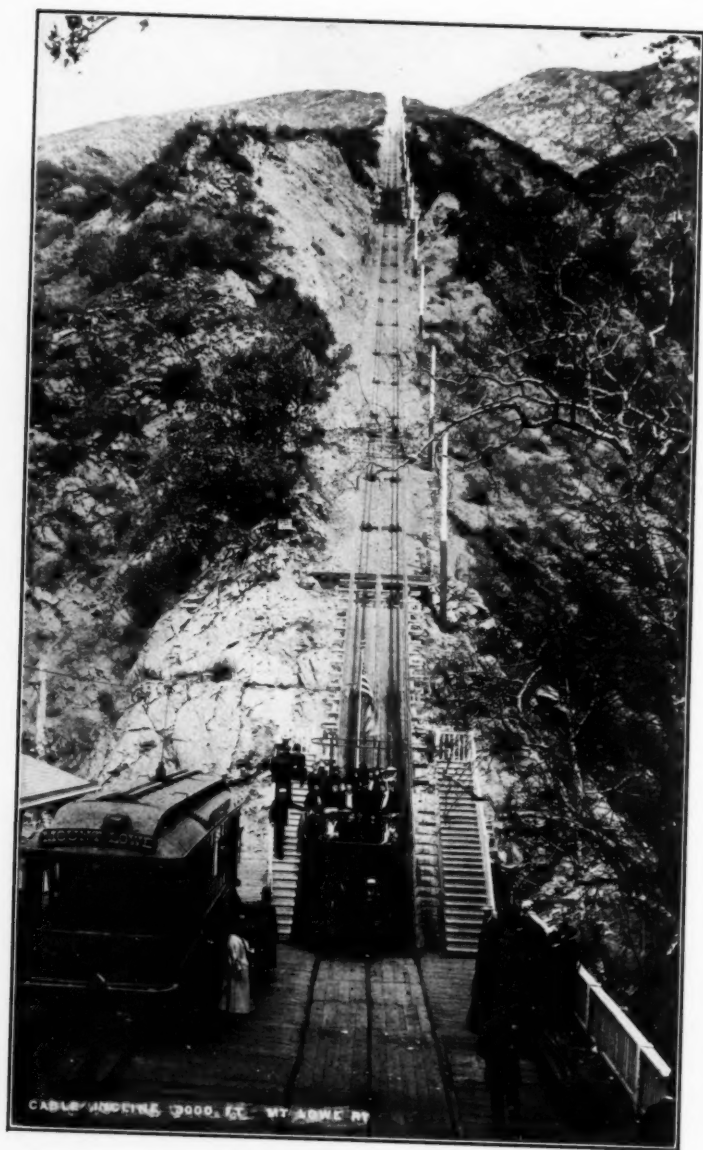
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The Need of a Uniform, Fair Exemption Law

By WOLCOTT WYATT
Attorney-at-Law, Los Angeles, Cal.

I have taken the above subject for a short discussion for the reason that the law of exemptions is about the last thing a credit man generally knows anything about, and is almost the first thing that the same credit man encounters when he sues to recover the amount due on an account.

It sometimes seems, when endeavoring to find some property not exempt from execution, that the object of the legislators of the various states has been to make the recovery of the purchase price of a bill of goods as difficult as possible.

While I have had occasion to study the exemption laws of several States, I will use for illustration those allowed under the laws of the State of California, as I am more familiar with the California exemptions.

The following are some of the articles which under the Code of Civil Procedure of the State of California are exempt:

Chairs, tables, desks and books to the value of \$200;
Necessary household furniture, which generally is construed to include all household furniture of the judgment debtor, including sewing machines, piano, firearms, and sufficient food for three months for the family;
Farming materials to the value of \$1,000; together with two oxen, horses or mules and harness; one cart or buggy, two wagons, and all seed grain or vegetables reserved for planting within the ensuing six months, to the value of \$200;
Tools or implements of a mechanic or artisan, necessary to carry on his trade;
Notary's equipment, including office furniture;
Instruments and libraries of physicians, dentists, lawyers or surveyors, including office furniture;
Cabin of a miner, together with equipment, to the sum of \$500;
Fisherman's outfit to the value of \$500;
Earnings of judgment debtor, for his personal services, rendered within 30 days prior to the levy of the execution, provided the judgment debtor and family reside in this state. If the claim be for necessities, one-half of said wages are subject to execution;
Shares of stock in any building and loan association to the value of \$1,000;
All well drilling tools and machines to the value of \$1,000;
The homestead exemption allowed the married man to a net value of \$5,000.

The above exemptions do not apply for the purchase price of an article nor as a bar to a foreclosure of mortgage or other lien.

While the above list does not nearly cover all the exemptions, it will give the credit man an idea of the number of articles that an execution cannot reach in the State of California.

While the articles in the different States differ, still they are all more or less the same, and are the result of endeavoring to accomplish the object of the exemption law by specifying certain stated articles that shall not be subject to execution.

Now, how does this work out in actual practice?

The wage-earner (such as a clerk, book-keeper, mechanic, or a day laborer) is generally forced to meet his obligations for the reason that the majority of this class do not indulge in luxuries, and 50% of their salary cannot be reached with a garnishment. On the other hand, a man not on a fixed salary, such as a broker, commission man, contractor, or rancher, can very easily place his money in such a way that he can laugh at his creditors. The average man will not do this at the start, but should he get into temporary difficulties, and have one or two judgments recorded against him, he loses any pride that he may originally have had in his credit, and frequently decides that the world owes him a living, and in a great many instances he collects it at the expense of the man who extends him credit.

The object of the exemption law is to give a debtor sufficient money to suffice for his immediate living, and the implements of earning his livelihood. This is only just and fair; but the law should not be so broad that a man can be worth several thousand dollars, and still be (to use the common phrase) "bullet proof."

From a rather wide experience with judgment debtors, I would say it is impossible to frame a hard and fast list of articles that should be exempt from execution, and at the same time have a law that will be as fair and equitable to the creditor as to the debtor—a law that outlines in a general way the nature of the things that should be exempt, and then makes it necessary for a judgment debtor to prove that in his particular case the articles endeavored to be levied upon by an execution are necessary for the life, health and pursuit

of happiness guaranteed under that much litigated article of the Constitution of the United States.

The wholesalers, by organization, have obtained considerable legislation that has been of inestimable value to them in their particular field. The retail men can obtain the same benefits by the same means; and I sincerely hope to see the day when a just and fair and uniform exemption law will be in force in every State, so that in following a debtor from one State to another we shall know just what obstacles to expect from exemptions. In that manner, the credit man—in extending credit for a bill of goods—will know that should the debtor move to another State before settling the account or, as is frequently the case in Southern California, return to his home in the East, without making a settlement, that he will be able to follow the debtor wherever he shall take up his place of residence, and will be able to force collection for the purchase price of a bill of goods, subject only to the same exemptions as are allowed in the State where the goods were purchased.

Dun's Los Angeles Review (At Los Angeles)

May 22, 1915.

Financial and business conditions in Los Angeles have not changed much during past month. Dealers continue to buy in a hand to mouth manner. Collections are fairly good, though more efforts are required to get the results obtained. Credits are closely scrutinized. There is a large amount of idle money. It is estimated that bank deposits in Los Angeles have increased ten million dollars since January 1, 1915. Banks are taking care of customers' demands, but loans for legitimate promotions and business expansions are difficult to obtain. Interest rates range from 6% to 7% with some few loans at 5%, but the latter are discouraged. Reserves in most banks are more than double the required amount.

Preparations are now being made to market the cantaloupe crop in the Imperial Valley. It is now estimated that the production will be about 4000 cars as compared with about 3400 in 1914, with a gross value of nearly \$3,000,000 which will net the growers around \$1,500,000.

The potato crop of 4500 acres, it is estimated, will yield from 600 to 800 cars, some

estimates reaching 1000 cars, with about 300 cars of onions from Southern California.

The lettuce crop already marketed was about 300 cars with some marketed in mixed car load lots.

The first crop of strawberries was affected by the late rains, while it is expected the second crop will be about the average.

The estimate of 48,000 car loads of citrus fruit remains unchanged, of which about 8000 car loads is lemons. Prices of oranges are firm as a general thing, and compare favorably with last year, while prices of lemons are not so good on account of overproduction as compared with previous years.

The cotton crop in the Imperial Valley of about 50,000 bales has all been marketed except 2000 to 3000 bales still in warehouses. The acreage this year is claimed to be from 10% to 20% less than last year on account of low prices.

The estimate that 500,000 tons of barley will be raised in California this year still stands as against 800,000 tons last year. The wheat crop will undoubtedly break all former records. The increase in acreage is about 25% and it is estimated the crop will amount to 18,000,000 to 20,000,000 bushels as against about 12,000,000 bushels last year.

It is estimated that the walnut crop this year will amount to about 15,000 tons as against 9000 tons last year.

Oil production for April was 7,336,900 barrels, the daily average being 244,563 barrels as contrasted to 7,567,197 barrels production for March and 244,108 daily average. Shipments for April amounted to 7,195,044 barrels, daily average being 239,835 as compared to 241,076 daily average for March. The daily average surplus for April was about 4700 barrels as against about 3000 barrels daily average surplus for March.

Imports for April 1915 were \$371,232 as compared with \$380,401 in April 1914, and \$377,233 in March 1915. Exports for April 1915 amounted to \$383,098 with \$111,552 the same month last year, and \$274,644 in March 1915. Shipments from Los Angeles and San Diego through the Panama Canal to Atlantic ports amounted to \$98,764 with \$129,601 to foreign ports in April 1915. During April 1915, 721 building permits were issued which totalled \$1,591,399, while in April 1914, 1013 permits were issued totalling \$1,898,304.



A Uniform Information Blank

By ROBERT H. CANTLEY

Secretary, Associated Retail Credit Men of Los Angeles.

To make the punishment fit the crime it appears is the idea in the mind of those who allotted to the writer this subject of "A Uniform Information Blank." Having to some extent been responsible for the adoption of such a form in the local associations it seems, however, only just that the onus of

presenting arguments for its adoption should lie where it has been put.

To those who are using the Form No. 1 of the Associated Retail Credit Men of Los Angeles very little requires to be said as they have experienced not once but many times the benefit derived from using the form of which the following is a copy:

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Bank	Bank Signature		
Do	Do		
Authorized Purchasers			

In the matter of educating the public and stimulating prompt payments a uniform Blank it must be conceded is a step in the right direction.

Its uniformity both in color and matter is the outward and most pertinent expression of the unifying of the Retail Credit Men in their intention to procure a minimum amount of evidence on which to establish a basis for granting the credit sought. There is also the fact that the N. G. applicant fights shy of any form that is endorsed by and bears on its face the name of any credit men's association. No better method exists for impressing so forcibly on the applicant the fact that there is such an association working in his city or town than where such a form is presented to him over and

over again by the various credit men to whom application is made.

I have stated that the use of the uniform blank manifests the absolute necessity for a minimum amount of information on which to base credit; it does more than that—it signifies as well that the credit man of the firm is a wide awake progressive one, in touch with the other Credit Men in his city and therefore in a position to get immediate verification or otherwise of the statements made by applicant, and if the latter has had any idea of trying to put one over on the C. M. it is promptly dispelled.

So much for the effects produced on the credit applicant by the use of a uniform application blank. What about the Credit Man

or the Assistant Credit Man? Don't they, in their way, get any assistance? Yes—for in the form illustrated all the leading questions are so set out that he cannot miss the fundamentals and if the applicant—as he sometimes will—makes a kick at what he probably terms “inquisitiveness”—an explanation, that as members of the local association, it is absolutely necessary that the information sought should be furnished, will make the task a little easier for the credit man.

Some criticism has been made regarding the adaptability of this uniform blank to the various lines of business, but it is a noticeable fact that these critics are as a rule members who have not given the form a practical demonstration.

If the Credit Man in one Department Store can use it with beneficial results it does not seem reasonable to the writer that it would not be just as efficient in any other credit department. Very few—if any—use the original application for the card index, but rather file it along with the reports of Rating Bureaus and data from all other sources in a Mercantile Report Folder.

It appears desirable that the Retail Credit Men's National Association adopt a uniform

application blank which should be supplied to members only at cost or at least urge its adoption by all of the affiliated associations. The lapel button, which every Credit Man should wear, is a certificate of membership as between Credit Men, but it is a greater necessity that applicants for credit should be made acquainted with the fact also. How can this be done more diplomatically than by using a uniform blank, together with the metal certificate of membership on Credit Man's window or some such prominent place, as illustrated below.

Such a combination protects the merchant and at the same time impresses the fact on your prospective customer that he must protect his credit by meeting his or her obligation at maturity.

“How did you like your lodge initiation last night?”

“Not very well. The fellow who ran away with my wife last year delivered the moral lecture, another fellow who has owed me eighty-five dollars and sixty-five cents for eight years took my initiation fee, and the shrimp that I licked last summer with one hand headed the degree team.”—*Puck*.

— MEMBER OF —
ASSOCIATED RETAIL CREDIT MEN
 OF LOS ANGELES
 — AND —
RETAIL CREDIT MEN'S
NATIONAL ASSOCIATION
 ORGANIZED FOR THE
PROTECTION OF RETAIL MERCHANTS

ROLL OF HONOR

ASSOCIATED RETAIL CREDIT MEN OF LOS ANGELES

For Excellent Work in This Issue

RETAIL CREDIT MEN'S ASSOCIATION OF ST. LOUIS

For Excellent Work in the May Issue

RETAIL CREDIT MEN'S ASSOCIATION OF ST. PAUL

For Excellent Work in the April Issue

RETAIL CREDIT MEN'S ASSOCIATION OF MINNEAPOLIS

For Excellent Work in the March Issue

R. H. POINDEXTER, National Treasurer

With D. Loveman, Berger & Teitlebaum, Nashville, Tenn.

BEN C. NANCE, Member Board of Council

With Huddleston-Cooper Co., Nashville, Tenn.

NOBLE R. JONES, Secretary

Retail Credit Men's Association, St. Louis, Mo.

HENRY M. LEWIS, Manager

Merchants' Credit Bureau, Wichita, Kansas

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J. M. MEINHARDT, Assistant to Secretary

Los Angeles, Calif.

SIG. WOLFORT, Director Retail Credit Men's National Assn.

With Stix Baer & Fuller, St. Louis, Mo.

C. F. ROADNIGHT, Member Board of Council

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WARREN P. BROWN, Credit Manager

The Utica, Des Moines, Iowa

ROBERT V. BUTLER, Credit Manager

John A. Roberts & Co., Utica, N. Y.

E. H. FURTH, Credit Manager

H. C. Capwell Co., Oakland, Cal.

W. O. OVERBECK, Credit Manager

Block & Kuhl, Peoria, Ill.

Beginning with the January issue we inaugurated our Roll of Honor, and are pleased to publish additional names of such great hustlers as appear above. For the good of those who may have overlooked the past issues we state here what must be accomplished to have your name inscribed upon the Roll of Honor.

It is necessary that you send in six or more new members before the date of the next National Convention, at Duluth, August 18-19-20.

These Honor members will be furnished with an engraved certificate, with an expression of thanks and gratitude thereon, signed by our worthy president. Also they will be presented with one of our gold "Lapel Buttons" with the insignia of the National Association.

Now, gentlemen, show your natural worth by having your name appear upon the Roll of Honor for July.

Your secretary offers three cheers for the hustlers whose names already appear.

Advantages of Forming Associations

By BEN F. GRAY
Member Board of Council.

In every city in the United States there are numerous credit men who do not know their brother credit men either in a business or in a social way. Just stop to think what this means to them. It means that all the knowledge they have is stored up in their minds. It means that the system used by their fellow credit men is unknown to them. It means that, not knowing their fellow credit men, they hesitate to write or phone them about an applicant for credit to ascertain if the applicant is worthy of credit. It further means, that knowledge of the fellow credit man pertaining to undesirable risks, his system of operating his department, his knowledge of the laws pertaining to the collection of accounts, and all other methods known to him, are strictly his own, and no one derives any benefit from his knowledge. This same credit man is bound to receive ideas from his fellow credit man, which if followed out will be of great benefit to him, thereby cutting down the losses of his department and making him more efficient, placing him in a position where he will be a larger asset to the firm he works for, after which will naturally follow a substantial increase in salary, etc.

GET TOGETHER.

Now, brother creditmen, get together. Call on your brother creditmen, form an association in your town. Meet once a month or oftener. Make friends with each other. Tell the other fellow how you run your department and the experiences you have had with accounts. Discuss with him the problems that bother you. Let him tell you about his system, his methods and troubles. You each will be benefited. When you get together one of you will act as president, secretary, etc., without compensation. By banding together, the citizens in your city will realize that you are an organized body, for the protection of retail merchants in the dispensing of credit. You will soon be able to call your brother creditman and say "Bill, what do you know about Mrs. B., she wants credit here."

IT COSTS NOTHING.

Remember it costs nothing to form such an association. The benefits derived from co-operation are great. You, brother reader, start right now to form an association in your city. Don't leave this to the other fellow.

Get busy, and remember the National Association will do all in its power to aid you in your good work.

Many good and interesting subjects are contained in each issue of the magazine published by our National Secretary, Mr. Richmond, so have your friends get in the band wagon and take advantage of the other fellow's experiences and suggestions.

Some Reasons Why

By EVA BUSSELMAN
Chief Clerk Duluth Credit Association

If you are planning on attending the Convention in Duluth in August, and we sincerely hope you are, please don't forget this:

"That it is cool in Duluth."

Don't let this statement scare you. It is made in absolutely good faith and for your hearty consideration. As far as we can discover from weather statistics, etc., the week in which the Convention is to be held is sure to be one of the very hottest of the year. So then, when all the rest of the Country is sweltering, come to Duluth and be cool. Let nothing stop you. You will be comfy at all hours—morning, noon and night. In the morning when you feel a fresh invigorating breeze blowing in at your window, that fairly insists that you be up and doing, you can go out and know that you won't have to put in half of your time mopping your forehead, but will be able to go out and fully enjoy all the sights you wish. At mid-day it is the same old story all over again, whether in the cool cafes, on the boulevard drive, on the beaches, in the parks, or wherever you choose to spend your time, you are again impressed with the fact that it is cool—for the blessed lake breeze is ever there, a God-send for which we are duly thankful.

If you are still doubtful and dare to venture out without a heavy wrap after sundown, do not be surprised if you think it is Winter—for you have solemn warning that a sweater or overcoat is an absolute necessity.

Let this serve then as a reminder—to bring an outer garment, which is at least medium weight, for you will have plenty of use for it while here.

"God bless you all"—we don't want to freeze you.

*We Collect
Anywhere*



Try us

"We get the coin"

H. G. Bittleston Law & Collection Agency, Inc.

Los Angeles

Same Location Past Six Years

**Largest, Most Complete Organization in the West
We Collect—We Pay
Ask Anybody**

Compliments of

"Desmond'S"

*Clothiers-Hatters-Furnishers
To Men and Boys
Los Angeles*

DULUTH

Come to Duluth

EVA BUSSELMAN, *Duluth, Minn.*

Coming to Duluth in Mid-August?

Of course, you are, for we're

Making plans to entertain you

Each and all in royal style.

To amuse you will be our constant aim,

Our object and ambition.

Duluth! words can't describe it.

U must see it to appreciate its unusual features.

Long and narrow, but unquestionably graceful.

Unlike our other large and growing cities,

The climate is "Ever cool and delightful."

Happy its citizens are to welcome you and
share all we have.

Some Things We Have at Duluth

By A. B. SIEWERT

Member of the Retail Merchants Association

Come to Duluth, the weather is fine! Do it this summer! After such a splendid fall and winter and a really delightful early spring, there is every reason to expect the most delicious atmosphere this coming summer that a human being can possibly imagine. Not a mosquito, not a sticky, prickly feeling but a "cleaner, greener sense," a neater, sweeter look will cause you to decide that Duluth is one of the most favorable watering places in this country.

Come take a planked whitefish picnic dinner on the sand beach of old Lake Superior, where one's fancy can easily take one back a hundred, yea, a thousand years, and make one feel that the same beautiful crescent forming the shore line for nearly seven miles, backed by the most unique and wonderfully poetic fringe of pines, covering nearly the entire distance, is the same as it was all these long centuries. Think of squatting down anywhere on this entrancing shore with your picnic basket and light folding cooker with plenty drift wood all around.

Ten minutes after leaving the busy, whirling activities of a giant young city, one feels himself care free on the sands. Duluth's at-

tractiveness is the marvel of every visitor, summer or winter. The city goes steadily on gathering force with every breeze that blows, strengthening itself with every so-called setback our country thinks it experiences.

Duluth never sleeps—is never found idle, does not apologize for its location, its climate and above all its splendid public spirit. Here is a spot that holds every advantage that is possessed by any city, plus that which is wanted by all.

If one cannot make it go in Duluth, one needs hardly try elsewhere. Here is health, wealth and joy.

In the heart of the city, ten minutes in any direction by street car or auto, one drops into the most bewitching, enchanting and supremely natural bit of wild beauty possible to imagine. Get a lake, bay and river view from any point on the wonderful thirteen-mile hilltop drive, six hundred feet above the level of the lake.

Take a spin to Superior City across the bay thru their charming bay and river park. A launch or steamboat ride up the St. Louis River. A country ride thru a most fascinating, unique and altogether different environment, peculiar only to Duluth. You will have

an appetite—you will want to sleep and can sleep. You will feel like a new being at a time when the rest of the country largely feels bedraggled, weary and worn.

Oh, the thousand and one things that can be said of this wonderful City, of the unsalted seas! Its rugged rocks suggesting strength and power at every turn. Every innocent and health-giving recreation given to man is here.

Make it a business to come. Many prepare to visit a day or two but stay a week or two—a month or so and many come for good. We shall be pleased to welcome you.

See the whirling laughing waters
As they rustle thru the fens,
As they fall in lacey beauty
Over rock and thru the glens.

Land the speckled beauties
As they seek your wily fly,
As you cast along the leafy path
That skirts the streams hard by.

What Can I Put Into It?

By MRS. S. K. GIBBENS

The Retail Credit Men's National Association Convention meets in the Zenith City, August 18th, 19th and 20th, only two months away.

We trust that right now every thinking man of this organization is asking—"What Can I Put Into the Duluth Convention?"

What Do I Get Out of It?

How often have you heard it from weak-kneed brethren in organizations and business bodies?

Did you ever stop to think that all progress of the human race in achievement and development is exactly measured by the surplus put into the effort to go forward?

Every member of this organization owes it to himself and his employer to put his shoulder to the wheel and decide how much he can put in.

Doubtless it took much thought and long experience to develop your own system. It was a product of evolution, it had to grow to suit the needs of the business, it had to adapt itself to local and financial conditions.

Your own troubles may be unique. However, each one of us, in his own way, has been developing certain systems in granting of credit, in controlling accounts and making collections. Perhaps what you have been doing for some time is very different from what the

rest of us have been doing. Perhaps it is much better than anything else and maybe long familiarity with it has made you indifferent to a realization of its superiority. Perhaps you are doing something that would help hundreds of other credit men.

Now the thing for you to do is to pass on to the rest of us the how's and why's of doing things your way. Incidentally maybe some of the rest of us are doing things that would help you very much if you knew what we were doing.

So come—come with an open mind, ready to share with others who are planning to share with you.

What Do I Get Out Of It?

You will get the benefit of the accumulated, concentrated wisdom of brains which are trained to the very problems you are dealing with and you will get it in direct concrete form.

You could read about some of these things for a hundred years and not get the good of it you can with personal contact with the men who are doing things.

There's an enthusiasm in numbers; there's an understanding that comes by hearing direct; it's not always the words that are used, sometimes it's how they are said that means most. In cold type they would lack the meaning which would come with voice and manner.

You remember Owen Wistan's "Virginian," who did not object to being cursed as long as there was a smile and a winning way behind it, but who was ready to shoot if the emphasis implied the derogatory. According to him the same words might mean praise or insult. This may be far-fetched, perhaps it's true, as we all know that spoken words mean more and convey more than the printed type.

What will you get out of it?

You will get the essence of the ripened experience of others.

History says that Martin Luther did not ask what he could get out of it, but how much he could put into it. He left an ineffaceable mark on the history of the world, on all religions and all peoples.

Come—there will be much to learn and much to profit by. The business houses that are so fortunate as to be represented at the convention will benefit by thousands of dollars in increased business, more satisfactory business, more prompt settlements, fatter discount accounts.

He gains most who serves best.

Duluth Wants Credit

Credit Men of All America! Here Is a Hurry Case. Duluth, the Zenith City of the Unsalted Seas, Wants You to Look Her up. Drop Everything and Attend to This.

Surname: Duluth.

First Name: Kitchi Gammi.

Residence: At the Head of the Great Lakes of North America.

Title of Position: Gateway Keeper.

With Whom: The Great Northwest.

How Long at Present Position? About 30 years.

Former Employer? The Tribe of Chippewas.

Married? Yes, to Miss Prosperina Traffic.

Landlord? Jim Hill, the Steel Trust and Bostonian Bondbeaners.

Introduced By: George Credit Fairley, Secretary of the Duluth Credit Association.

References: Abner Co-operative Pearsons, President of the Retail Credit Men's Club.

Walter Bona-fide Brinkman, Girl-of-all-work at the House of the Gray Company and server on seventeen City Committees.

George Welcome Reynolds, Mine Host of the Spalding Hotel, Convention Headquarters.

"Write him today—Don't delay!"

Application for Credit made by Felix Seligman, President of the Duluth Credit Association.

General Report

The party in question is well spoken of by all who ever held a Mid-Summer Convention there. Is a town of good character and habits, especially after 11 p. m. Famous for its iceless ice water, piped and pumped from the clear depths of mighty Lake Superior (called "Kitchi Gammi" by the Indians) and sometimes taken internally after a hot imbibition of Eau de vie de Kentuck. When "Fitzgerized" this Lake Superior Ice Water has a beautiful amber color.

Resources

Five large hotels in center of city. Has a summer climate at the given address that enables the denizens of the sweltering South, East and of the middle, western and southern West to talk loudly and think clearly for sixteen hours a day and to sleep soundly for eight hours under cover. Gives participants of Conventions a delightful four-hour boat ride up and down the picturesque St. Louis River to Fond du Lac, the ancient fur trading post

of the Astors. Also an evening ride "Around the Horn" through bays and the lake. (Bring your overcoat along for this particular ride on which you can see myriads of city lights on the hillside twinkle and mingle with the bright stars upon the firmament.)

Has a famous boulevard along the top ridge of her mountain side with a marvelous scenic view upon houses, water, skyscrapers, coal and ore docks, railroad yards, elevators, baseball and natural parks, lumber yards, azure sky and ozone-laden atmosphere, beautified in many spots by the black shades of prosperity-smoke from numerous locomotives and from ships that pass in the night and by day.

Trade Experience

Iowa Hay Fever Patient No. 88 reports visiting here 13 years. Relief prompt.

Fuel Dealer No. 377 reports doing business almost 12 months of the year. Average August Temperature, 71 degrees.

CONVENTION MANAGERS generally report warmest receptions ever experienced.

Court Records

There seems to be nothing in the Court Records of Duluth Hotels and Dealers ever being accused of overcharges during Conventions.

Our Convention City

EVA BUSSELMAN
Duluth, Minn.

There's a City that's in the Mid-West
Where there are many sights to be seen;
The climate is cool (as a general rule)
Of the Father of Waters—she's Queen.

We have elevators, factories and docks
And a bridge—most unique—in its working;
And as for hospitality, well just try us and
see—

We've never as yet been caught shirking.

We've so many things you have never seen
So pack your duds and get busy;
We'll whirl you around on water and land
Until you are fairly dizzy.

REMEMBER, you will all have a royal
good time

And if you don't join in the general cry,
"Duluth's the Best Ever, always comfy and
cool"

We'll take a back seat and—Goodbye.

Credit Men—1915 vs. 1905

JAMES MEAKING
J. M. Gidding & Company

The cooperation of Retail Credit men now and ten years ago will bear no comparison. Ten years ago there was no guide of any kind to go by—it was each and every one for himself, getting what information he could from whatever source seemed most reliable and taking a great many chances; today we are joined together far and near.

In Duluth we have not the largest membership in the association but we have the "get-togetherism" just the same; at any time we can call up each other and can be very positive that the information we receive is correct, in fact we are out to help each other from accumulating bad, slow or indifferent accounts, therefore making ourselves more valuable to our employers; which can only be done by full co-operation, and Duluth has the goods. Nothing can be a success unless all pull together and after a great many years the Retail Credit men have come to know this, all over the country joining together in national co-operation, knowing that by so doing they not only protect their employers but help humanity by placing the deadbeats where they cannot ply their wiles, and the slow and indifferent (but sometimes unthinking) ones on the cash list, thereby teaching them that it is to

their interest, if they ever get trusted again, to pay up promptly and protect the best asset a person has—"His or Her Credit," letting them know that instead of their granting the merchants a favor by getting trusted it is the merchant who is doing them a favor by extending to them a charge account, thereby helping them to tide for a time the shortage of cash at the time of purchase.

Today the Retail Credit Association is an educational institution for the people as well as for the Credit man, teaching them not to abuse the best asset they have and also that a Merchants' goods are his money and that he is entitled to it within a reasonable length of time, whether it be the rich, middle or financially poor class who owes it.

There are many who are financially poor who are preferred risks while some of our rich are in the *slow* class. This should not be and it is up to the association to so educate *all* classes that the terms are the same for all.

The co-operation of the association makes this possible. Therefore don't toady to any particular class but stick together—talk things and people over and you will be surprised at the good results you will receive. Forgive me for intruding on your valuable time.

Compliments of
Mr. G. C. Lawrence
Credit Manager

Coulter Dry Goods Co.
Los Angeles, California

Membership Value to the Merchants

By HARRY A. BERG
Duluth, Minn.

If you are a credit man and located in a city where there is now established a retail credit association, you are probably well acquainted with the benefits derived from a membership therein; but if it so happens that there is no such organization among the merchants of your community, it may be interesting to know that an efficiently conducted credit rating exchange is a great factor in helping to pass on credits and consequently to reduce losses from bad accounts to a minimum.

The purpose of a credit association is to acquire from all possible sources, credit information of all sorts concerning every user of credit in the community and to have this information so arranged in its files, that it can in a few minutes' time give a record of the "credit history" of the individual about whom inquiry is made. With the co-operation of its members this "history" is "modern" as well as "ancient", though of course "ancient history" as pertains to credits often has a bearing on an individual's standing as well as a recital of his performances of "today."

When application for credit is first made, it is, of course, customary to attempt to learn from the applicant his desirability as a credit risk; personal appearance holds an important place, but that is at times deceiving, the statements made by the applicant count also but oftentimes they are misleading. Just there is where the services of a credit association become useful, for if credit men can be deceived by appearances and misled by statements, surely the experiences of other credit men with the same individual are of great value in passing on the desirability of the risk.

There was a time when there was no such thing as a general exchange of credit information among retail merchants and it was oftentimes not so very difficult for most unworthy people to obtain credit with an eventual loss to the merchants with whom they dealt; also it sometimes happened that good business was lost through misjudging persons who would have paid. A credit association is a clearing house for trade experience. From it you may learn whether a man customarily meets his obligations promptly, tardily or not at all,—and why.

It is an indisputable fact that aside from preventing the occurrence of many losses from bad accounts, the knowledge that there is in a community a credit association, has impressed many persons with the necessity of paying their accounts promptly in order that they may have desirable credit ratings, and therefore tends to stimulate the prompt payment of accounts.

The credit association is of value to the merchant,—also to the worthy debtor, but for the deadbeat! Oh! My!

*We own the building we occupy
—low overhead means
lower prices—*

LYON-MCKINNEY SMITH CO.

Furniture  Carpets  Draperies

737 So. Hill Street, near 8th, Los Angeles

Hoosier Cabinets Herrick Refrigerators



THE HOUSE OF QUALITY



BOX TRADE A SPECIALTY

HOFFMAN CIGAR STORE
215 South Spring St.
H. W. HELLMAN BLDG. CIGAR STORE
Fourth and Spring Sts.
SEVERENCE BLDG. CIGAR STORE
Sixth and Main Sts.
THE EXCHANGE CIGAR STORE
122 West Fourth St.

CIGARS
TOBACCOS
CIGARETTES
PIPES AND
PIPES and SMOKERS'
ARTICLES

LOS ANGELES, CALIFORNIA

THIRD AND MAIN STREETS
Southeast Corner
EIGHTH AND SPRING STREETS
Northeast Corner
NINTH AND SPRING STREETS
Northwest Corner
MERCHANTS NATIONAL BANK BLDG.
Sixth and Spring Sts.

Psychology Versus Sigh-cology, or the Human Element in Credit

By W. B. BRINKMAN

The successful credit grantor must read Human Nature—must read it accurately—must read it quickly.

In no other department in the organization is it so necessary to study human nature as in the Credit Department.

We can learn how to read character through a course in the school of experience, we can learn more quickly if we study psychology in conjunction with our work.

Some of us used to imagine that psychology was something fearfully boresome, something laborious, something dry and uninteresting, something which could be grasped only through hours of unremitting grind. Happily those days are of the past just as are the candles of Great Grandfather's day.

The progressive, keen thinking man, as well as the professional man, realizes that psychology has developed much of real benefit to him in his work.

Carlyle has said—"There are two things worthy of study—Nature and Human Nature."

Since Carlyle's day the universities have established stiff courses in Human Nature and dignified it under the name of Psychology, and even a slight acquaintance with psychology will be helpful to anyone in the Credit Department and will prove so beneficial as to inspire one to further study.

Among books recommended for their business courses by the University of Minnesota are the following:

"How to Read Human Nature," W. W. Aitkinson.

"Elementary Psychology," D. E. Phillips.

"Psychology," Wm. James.

"The Crowd" (A study of the popular mind), G. LeBon.

"Psychology in Daily Life," C. E. Seashore.

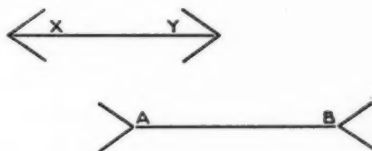
"Psychology, General and Applied," H. Munsterberg.

It will not be necessary to read all of the above, one or two of these books read at leisure moments will open one's mind to new ideas—give new viewpoints and new angles from which to study human nature.

Let us take one of the simple examples in the Psychological Laboratory.

On this page are shown two lines—A. B. and X. Y.

Which line is the longer?



Those of you with a quick eye are apt to decide that line A. B. is the longer. But is it?

Just take a rule and see. You will find that lines A. B. and X. Y. are exactly the same length.

The apparent difference being only an illusion caused by angles in and angles out.

This little test may be used to illustrate the point of view of the customer and of the credit grantor.

Each looks at it from a different angle.

One feels that they are entitled to a great deal of credit because from their viewpoint their financial condition is represented by the angles out, while you as a credit grantor see the same facts with the angles in. Needless to say that the "angle in" is the wiser way for you to see them, for the credit grantor must be conservative.

But to read human nature accurately you must get the customer's viewpoint. You must realize what he is thinking, then analyze his conditions in deciding what he can *do*—not what he can *promise*, and we believe that the little psychology we have had has helped us immensely.

We are hoping to absorb more of it from the men who are to talk to us at the National Convention in Duluth.

They may call it human nature, or they may call it psychology—we will take it gladly—all they can give us of it at the National Convention.

Why not be prepared to talk of your work, of some of the ideas you have gathered in the study of human nature, either in your experience or in some of the books so easily available nowadays?

Mr. E. F. Hagemann Elected President of Travelers

Our membership will be glad to hear that Mr. E. F. Hagemann, the President of the St. Louis Local Association and Credit Manager of the St. Louis Dairy Co., has been elected President of the Travelers Protective Association of Missouri. This is quite an honor as the Missouri division has 7000 members and we congratulate our "white hope" (Hagemann is 6 feet 3 and weighs 300 lbs.).

Correction

The May issue of the Credit World contained an article showing form letters as having been sent out by the various committees to local members of the Los Angeles association. Because of other methods having been adopted these letters were not sent, and I take this opportunity to state it was prematurely presumed these letters were to be used, which caused their publication.

H. B. RICHMOND.

FRED H. BIXBY, Pres.
F. M. BROCK, Secy.

L. LICHTENBERGER, Vice-Pres.
G. W. LICHTENBERGER, Treas.

W. E. BROCK, Managing Dir.
E. W. FREEMAN

GEO. C. FLINT
O. B. FULLER

Los Angeles Warehouse Co.

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Office 316 Commercial Street, Los Angeles

HOUSEHOLD DEPARTMENT

PACKING—Only careful, competent and experienced packers employed, and best of material used. Our work is first-class.

MOVING—Always let your moving plans include the Big Green Padded Vans. "They know how."

SHIPPING—Reduced rates East or West.

STORAGE—Private locked fireproof rooms or "open storage." We take good care of your goods. A well-pleased customer is our best advertisement.

COMMERCIAL DEPARTMENT

STORAGE—Of all non-hazardous commodities. Service and Security the best.

DISTRIBUTION—Carloads promptly and accurately handled.

CARTAGE—Equipment for all kinds of goods with better than average service.

COLLECTIONS AND REPORTS—Promptly attended to.

CARLOAD LOTS UNLOADED DIRECTLY INTO THE WAREHOUSE FROM CARS.

Thorough Investigation

Personal Calls

Eastern Correspondence Solicited

Fletcher Collection Agency

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1121 Washington Building
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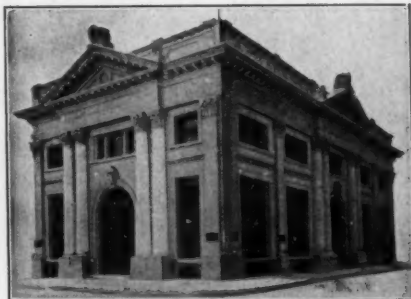
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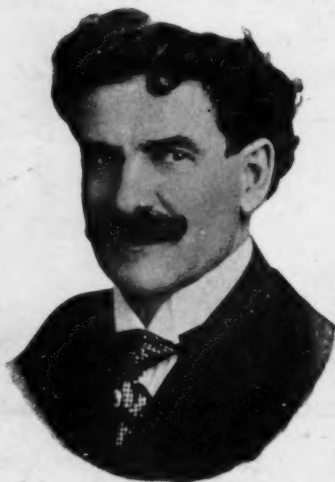
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